



# London IRA Blast Saps Confidence On Halting Attacks

By Craig R. Whitney  
New York Times Service

LONDON — An Irish Republican Army bomb, the latest in a wave that has undermined public confidence in the effectiveness of anti-terrorist measures in England and Northern Ireland, blew up in the heart of the British government quarter Friday, disrupting traffic but causing no injuries.

The explosion caused outrage, in part because it exposed the government's inability, even in central London, to suppress a militant underground paramilitary organization opposed to the British presence in Northern Ireland after more than 20 years of military and police measures that have cost billions of dollars.

The IRA's latest bombing campaign follows an upsurge in sectarian killings in Northern Ireland last summer and fall by both Protestant and Catholic-affiliated groups. The IRA, which has vowed to intensify its campaign to drive the British out of Northern Ireland, draws its support mainly from a disaffected minority in working-class Catholic communities that have suffered for years from discrimination at the hands of the Protestant majority.

The IRA telephoned a warning Friday to the London bureau of CBS at 8:38 A.M. half an hour before the bomb went off on Whitehall Place, only 200 feet (60 meters) from where the same group launched a mortar attack against Prime Minister John Major's offices at 10 Downing Street on Feb. 2.

The desk editor who took the call, Adrian Monck, reported it to Scotland Yard. Police had evacuated most of the office buildings and the nearby Royal Hotel in Whitehall, and had located the bomb and were preparing to try to defuse it when it exploded at 9:10, with a rear heard all over the city.

In a statement released later in Dublin, the IRA said the bombing was intended to make British rule in Northern Ireland an issue in this year's national elections. The Associated Press reported.

similar call-up in November, after a spate of tit-for-tat assassinations. These extra troops went back to regular reserve duties at Christmas.

Last Monday, the IRA commandeered a van and a post office truck and set off two huge explosions in the city, triggering the 13-story River House where some government offices are located and shattering entire blocks with shards of glass and other debris. Again because of advance warning, there were no serious injuries.

Before Christmas, another bomb caused major damage to Belfast's opera house and to the Europa Hotel, which even in normal times resembled a battle in wartime Saigon, surrounded by barricades and barbed wire.

Despite the bombs, comparisons with the height of the violence in 1972 are misleading. Ninety-four people were killed in terrorist incidents in Northern Ireland last year, including 19 members of the security forces. In 1972, the total was 467, including 146 reserve and regular soldiers and police.

"The people of Belfast have not wavered, have not weakened, and have not changed their determination, and neither will we," Prime Minister Major said Friday.

He called instead for a resumption of peace talks among all the Northern Irish political groups except the Sinn Fein party that supports the IRA. Northern Ireland Secretary Peter Brooke hopes to get the talks resumed later this month.



Croatian refugee women embroidering a tablecloth on Friday in the besieged town of Klanjec.

# Serbs Split On UN Plan To Station Truce Force

By Reuters  
BELGRADE — Militant Serbs in an enclave of Croatia vowed Friday to fight a UN plan to station peacekeeping forces on their territory.

In a statement directed at the Serbian president, Slobodan Milosevic, who has approved the plan, the main Serbian party in the Krajina enclave said: "No one has the right to divide the Serbian people."

Militant Serbian opposition to the UN plan occurred as the European Community said in Zagreb that it was resuming truce monitoring, which had been suspended because of the shooting down by the army of an EC monitoring helicopter Tuesday, killing five people.

The Serbian Democratic Party's statement in Krajina widened the split in the ranks of Serbs, Yugoslavia's biggest ethnic group, whose fate is linked to any peaceful settlement in the Balkan federation.

The leader of Krajina, Milan Babic, has openly defied Mr. Milosevic by saying that UN peacekeepers can be deployed only on its borders.

Krajina, a hooped strip of territory cutting into the heart of Croatia, has been designated as one of three regions where peacekeeping forces would be deployed under the plan put forward by Cyrus R. Vance, the special envoy.

Mr. Babic is also refusing to disband his Serbian militia forces as the plan requires.

In its statement, the Serbian Democratic Party that backs Mr. Babic accused Mr. Milosevic of being a crypto-Communist ready to sell out the Serbian people for personal expediency.

"No one has the right to divide the Serbian people in the name of the insecure guarantees offered by Vance's plan," the statement said. "The Serbian Democratic Party is going to fight with all means against the hartering of the Serbian Krajina for the sake of a false peace and securing personal power."

Mr. Milosevic launched a harsh assault on Mr. Babic on Wednesday, saying that his rejection of the plan endangered the interests of the Serbian people "because it essentially means a rejection of an immediate end to loss of human life and a peaceful end to the crisis."

EC spokesmen said the Community's resumed monitoring missions would be confined only to land observer operations.

The Yugoslav Army said that the shooting of the helicopter during a UN-brokered cease-fire was an accident caused by a mix-up in air control coordination in closed Yugoslav air space.

# Dispute Is Likely on Maxwell Insurance

Compiled by Our Staff From Dispatches

LONDON — A preliminary report from a second autopsy on Robert Maxwell reached on Wednesday, but the cause of his death, an insurer said Friday.

The lack of a conclusion increases the likelihood of a dispute over the publisher's \$36 million insurance policy.

The report surfaced as one of the British pathologists who conducted the second autopsy on Mr. Maxwell disputed a French magazine report that that autopsy showed numerous bruises, indicating the publisher was probably beaten before his death.

The Spanish coroner who carried out the first autopsy also rejected reports that the second post-mortem found signs of beating.

Israeli police, who are investigating the magazine obtained the videotape of the second autopsy, which was done in Jerusalem.

The weekly Paris-Match published photographs and conversations taken from a videotape made during the autopsy on Nov. 9, the eve of Mr. Maxwell's burial in Jerusalem. This post-mortem, which was requested by the family and British insurance companies, was performed in Tel Aviv by three Israeli and two British pathologists.

Since Mr. Maxwell was found floating in the sea off the Canary Islands on Nov. 5 after disappearing from his yacht, there have been widespread rumors that he committed suicide or was killed.

Lain West, a member of the British pathologists, dismissed any suggestion that the body showed evidence of foul play. He said the "snatches" of conversation published in the

magazine article included "considerable inaccuracies."

If Mr. Maxwell died accidentally, as was rumored, the insurers will pay, said John Fisher, claims underwriter for the lead syndicate, but not the committed suicide or died of natural causes. The burden of proof is on the Maxwell companies that took out the policy and are the beneficiaries, he said.

The preliminary report, written by Mr. West, a pathologist at Guy's Hospital in London, was being circulated among insurers Friday, Mr. Fisher said.

"It doesn't say one thing or another as to whether it was an accidental death, natural causes, suicide or homicide," Mr. Fisher said. "I'm hoping that will be more conclusive in the final report. If it's inconclusive as well, we'll have to take stock of the situation at the time."

Mr. Fisher declined to provide a copy of the report, saying it was confidential. He said Mr. West's report has been held up by a delay in getting a copy of the earlier autopsy conducted by the Spanish in the Canary Islands.

Spanish authorities said Mr. Maxwell, 68, died of natural causes, although they could not pinpoint the exact cause. They ruled out foul play.

Mr. Fisher said that if there is a dispute over the cause of death, he believes a solution can be negotiated. Under Lloyd's normal procedures disputes are settled by arbitration.

If that fails, they go to the industry's insurance ombudsman. If that fails, a case can end up in court.

Carlos Lopez de Lamela, director of the Las Palmas Forensic In-

stitute, said that he rejected any suggestion that Mr. Maxwell had sustained injuries.

"It seems that they are talking about a different corpse," he said of the report in Paris-Match. "No body could miss a severe bruising."

"There is always room for discrepancy on the interpretation of an autopsy but not on the physical state of the corpse," Mr. Lopez de Lamela said.

The magazine shows pictures of the body lying on a medical table, as well as close-ups of his head and face. The text quotes the doctors as they describe skin lesions on the nose and bruises and blood stains under the skin of the face, shoulders, back, stomach and legs.

At one point, a doctor is quoted as saying, "Why is there so much blood in someone who drowned? This man didn't drown."

Mr. West said, however, that the pathologists had agreed that the

blood and discoloration resulted from the first autopsy, performed in Spain.

"We were saying that some of the injuries could have been caused after death," Mr. West said, "and some could have been caused during recovery of the body."

The videotape images and text published by Paris-Match caused a stir in Paris and London. The magazine quotes several French forensic specialists who examined the videotape as saying Mr. Maxwell clearly received numerous blows before his death.

But Dr. Peter Vanezis, director of forensic medicine at Charing Cross Hospital in London, who also viewed the tape, said Paris-Match had "totally misrepresented" the autopsy conclusions.

"The only real bruise I saw was on the back of the left shoulder, which is typical of falling," he said. (AP, NYT, Reuters)

# EC Nuclear Force? Some Talk

By Reuters

PARIS — President François Mitterrand raised for the first time Friday the prospect that France might one day extend its nuclear deterrence to cover the whole of the European Community.

Mr. Mitterrand said at a national conference commencing to debate last month's Maastricht EC political and monetary union treaty that the agreement to create an embryonic European defense was bound

to raise soon the question of nuclear protection.

"The beginnings of a common defense raise problems that have not yet been resolved and which will have to be resolved," he said. "I am thinking in particular of nuclear force."

Only two of the 12 EC states possess nuclear forces, he noted.

"They have a clear doctrine for their national defense," he said. "Is it possible to imagine a European doctrine? That question will very quickly become one of the major issues in the construction of a European defense."

Mr. Mitterrand, who in 10 years in office has jealously guarded French control over its nuclear deterrent, said he did not want to answer the question now.

But Jacques Delors, the president of the EC Commission, sitting beside him on the podium, said France should in time extend its nuclear umbrella to the entire European Community.

"If one day the Community becomes a strong political force, why not imagine the transfer of our nuclear force to that Community," he said, adding, "But that's not for today."

A former conservative foreign minister, Jean François-Poncet, told the conference that France's reluctance to share its special diplomatic and military powers was

one reason why Germans were reluctant to surrender their national currency to the Community.

"People in Germany hesitate to put the Deutsche mark into the EC basket while France puts in neither its nuclear force nor its permanent seat on the UN Security Council," he said.

Paris provoked protests in Germany last year by deciding to go ahead with the production of new short-range nuclear missiles that could reach only German territory if fired eastward from France, despite the end of the Cold War.

The former conservative prime minister Raymond Barre, addressing the same forum, said that France had never limited its vital interests to its national territory, but that it should maintain a degree of uncertainty about its nuclear intentions.

Mr. Delors and Mr. Barre both warned against slowing down EC integration for the sake of bringing in Central European states.

Mr. Mitterrand said he was convinced that the French Parliament would ratify the Maastricht treaty, despite some opposition criticism of giving EC citizens the vote in French local elections.

He declined to say whether he would submit the necessary constitutional changes to a referendum after they had been adopted by Parliament.

# WORLD BRIEFS

## Israel Raids Guerrilla Bases, 9 Killed

NAAMEH, Lebanon (AP) — Israeli planes bombed Palestinian guerrilla bases in hills just south of the Lebanese capital on Friday, killing at least nine people and wounding eight, Lebanese officials said. Elie Hnein, head of Lebanon's civil defense, said rescuers evacuated the casualties to hospitals in Beirut and Sidon, the provincial capital of south Lebanon. It was not known how many of them were guerrillas. The police said two Israeli fighter-bombers attacked the installation used by the Syrian-backed Popular Front for the Liberation of Palestine-General Command.

## Warsaw Won't Use Force in a Strike

WARSAW (AP) — Facing nationwide protests over steep price increases for electricity and fuel, the government said Friday that it would rather resign than use force against striking workers, but that it would not roll back the prices.

Labor Minister Jerzy Kropiewicki said there was no possibility of reversing the decision that raised prices for electricity, gas and heating fuel by 20 percent to 100 percent. The prices took effect Jan. 1. He also said the new government would never "direct police or troops against strikers," as had often been the case during five decades of the Communist rule.

The Solidarity trade union has called for a nationwide warning strike Monday. The formerly Communist-affiliated OPZZ union and a radical splinter of Solidarity, Solidarity '80, scheduled protests for Thursday.

## Britain Urges U.S. Ties With Hanoi

HANOI (Reuters) — A British Foreign Office minister, Lord Calthness, said Friday that it was time for the United States to normalize relations with Vietnam now that a peace settlement had been reached in Cambodia.

He said that Prime Minister Vo Van Kiet told him earlier Friday that Washington's trade embargo was a major problem for impoverished Vietnam. Lord Calthness said that he told Mr. Kiet, "We have talked to the Americans, and we will talk to the Americans again. It is time for normal relations. The world is very much a changed place."

The United States has said that it was ready to start normalizing relations with Vietnam, but it tied the process to the success of the Cambodian peace accord and progress in establishing the fate of Americans missing since the Vietnam War.

## Bulgaria Expects Leader to Win Vote

SOFIA (Reuters) — Zhelyu Zhelev, who was appointed president in 1990, is likely to retain his job when Bulgarians vote in their country's first presidential election on Sunday. Opinion polls show he is expected to receive more than 50 percent of the vote.

Mr. Zhelev, 56, a former leader of the ruling Union of Democratic Forces, was appointed as Bulgaria's first non-Communist president by a Communist-dominated parliament in 1990. The Communist-led government was swept aside in multiparty general elections in October.

## Duke Might Run as an Independent

NEW ORLEANS (WP) — David Duke, enjoying his role as the Republican Party establishment's worst nightmare, says he may run for president as an independent if the Republican Party continues its efforts to keep him off state primary ballots.

"I want to be treated respectfully by the party," Mr. Duke, a former Ku Klux Klansman and a Nazi sympathizer, said during an interview in suburban Metairie. "They've been knocking me around for quite awhile, and I'm not going to sit back and take it. I have political options, and I'm prepared to exercise them. If they keep me off the ballot in states, they might expect a third-party challenge in those states."

In his renegade challenge to President George Bush, Mr. Duke has faced opposition from state election officials embarrassed by his attachment to the party and concerned that his appeal might transcend Louisiana, where he has run several failed campaigns while attaining what he covered even more — national money and recognition.

## Case of Accused Libyans Goes to UN

UNITED NATIONS, New York (NYT) — The United States, France and Britain on Friday circulated the text of a resolution that they want the Security Council to adopt next week asking the world to press Libya to hand over for trial some of the secret agents they have accused of blowing up two passenger airliners with the loss of 400 lives and pay compensation for these terrorist acts.

The three countries want the Security Council to approve a text that "strongly deplores the fact that Libya has not yet responded effectively" to the requests they have made in connection with the blowing up of a Pan Am plane over Lockerbie, Scotland, in December 1988 and the destruction of a French UTA airliner over Niger in September 1989.

This is believed to be the first time the Security Council has been asked to call for the extradition of the citizens of one country to stand trial in another and give implicit support to accusations of state-sponsored terrorism against a member government of the United Nations.

## TRAVEL UPDATE

Sweden will require visas from citizens of Algeria, Tunisia and Morocco starting Feb. 1, a Foreign Ministry spokesman said Friday. (AFP)

The first flight between Turkey and Armenia, an Aeroflot Tupolev-154 with 110 aboard, landed at Turkey's Trabzon airport on Friday. The Turkish Sarpar travel agency said it would operate flights Tuesdays and Fridays from Yerevan through the Russian Black Sea town of Sochi. The agency will charge citizens from the Commonwealth of Independent States \$30 and others \$100. (Reuters)

## The Weather

Forecast by Saturday through 1 week

Region	Today	Tomorrow
North America	Flurry weather will spread from Houston to Chicago early next week. Heavy rain will be scattered widely from the Great Lakes to the Gulf Monday. Snow will begin Monday in New York City. Chicago will turn cold Tuesday. Heavy snow will blanket central Scandinavia.	London and Paris will be dry and chilly Sunday through Tuesday in Beijing. Followed by a nice rain. Seoul will be cold and dry as well. Rain may start west on Japan Sunday and Tokyo Monday. At least Sunday should be dry in Hong Kong and Taipei.
Europe	Flurry weather will spread from Houston to Chicago early next week. Heavy rain will be scattered widely from the Great Lakes to the Gulf Monday. Snow will begin Monday in New York City. Chicago will turn cold Tuesday. Heavy snow will blanket central Scandinavia.	London and Paris will be dry and chilly Sunday through Tuesday in Beijing. Followed by a nice rain. Seoul will be cold and dry as well. Rain may start west on Japan Sunday and Tokyo Monday. At least Sunday should be dry in Hong Kong and Taipei.
Asia	Cold, dry weather will be the rule Sunday through Tuesday in Beijing. Followed by a nice rain. Seoul will be cold and dry as well. Rain may start west on Japan Sunday and Tokyo Monday. At least Sunday should be dry in Hong Kong and Taipei.	Cold, dry weather will be the rule Sunday through Tuesday in Beijing. Followed by a nice rain. Seoul will be cold and dry as well. Rain may start west on Japan Sunday and Tokyo Monday. At least Sunday should be dry in Hong Kong and Taipei.

# RELIGIOUS SERVICES

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# How to weather the weather

Don't get under the weather about good health care abroad. 1 line insurance plan protects you and your family anywhere. One plan lets you choose your own doctors, dentists, specialists, and hospitals. Plus an extent of out-patient services and a deductible range of US\$ 250-5,000. Two children under 10-years are co-insured without charge. Tailor your health insurance according to your own distinctive needs. Whatever the weather, wherever you are. Send for the Premier Brochure from International Health Insurance danmark/a/s, Pallevej 10, DK-2661 Copenhagen K, Denmark. Or fax +45-33-12 25 00.



# Japanese Resentful Of Bush

## Many Displeased By Trade Appeals

Compiled by Our Staff From Dispatches  
TOKYO — President George Bush appeared to have left the Japanese resentful over his demands for economic help and denounced by his embarrassing collapse at a state dinner with what he dismissed as a touch of flu.

Persistently at the center of the trade issue was a U.S. appeal for Japan to buy American cars as a way of closing the trade deficit, an act for which the Japanese, from car makers to street sweepers, had scant enthusiasm.

"If American cars don't sell," the newspaper Yukan Fuji said, "maybe they should go into Tokyo Bay."

Some Japanese believed their government had given in to U.S. demands, even though experts on both sides described Prime Minister Kiichi Miyazawa's concessions on increased purchases as more symbolic than real.

"Mr. Miyazawa should have said more," said Taro Fujii, 58, who was looking over the lineup of Japanese cars at a showroom during his lunch break.

"Japan could have made demands in return, instead of just listening."

The economic journal Nihon Keizai Shinbun criticized the outcome of the talks as a blow to free trade, the principle supposedly at the center of the dispute.

In an editorial, the newspaper referred to the so-called action plan agreement on specific purchase targets for U.S. cars and auto parts, as well as agreements on products like glass, paper and computers, as devices to simply promote managed trade.

"The agreement amounted to the world's biggest and second-biggest economic powers formally approving government-managed trade," it said.

"This is sure to set a bad precedent."

The Asahi Shinbun criticized purchasing targets for U.S. goods, and said it was unfortunate that the talks focused on bilateral trade issues when Mr. Bush and Mr. Miyazawa might have been discussing global problems.

The newspaper said that Japan's pledge on autos and auto parts imports from the United States "seems to go against the spirit of the Uruguay Round trade talks" that the U.S. side had used to pressure Japan to open its rice markets.

In any event, said the Mainichi Shinbun, "the decision to buy U.S.-made automobiles should ultimately come from the consumers."

Then there was the impression left by Mr. Bush's fainting spell at a state dinner given by Mr. Miyazawa.

The Asahi newspaper published a cartoon showing Mr. Miyazawa at Mr. Bush's bedside, attempting to serve Mr. Bush a bowl of rice porridge — Japan's version of the chicken soup cure.

Prostrate under the covers, Mr. Bush grumbles, "Make it out of American rice," evoking Japan's ban on rice imports, another issue of contention with Washington.

Even with some of Mr. Bush's admirers, the visit left a bad impression.

Hidcharu Kanecoya, 55, a lottery salesman who has a small booth on a Tokyo sidewalk and who describes himself as a Bush fan, said, "It was practically meaningless and only a loss for him."



Mr. Bush, talking with reporters aboard Air Force One on his return home, said his trip reaffirmed a vital relationship with Japan.

# Japan Balks, Jeopardizing Supercollider

By Edwin Chen  
Los Angeles Times Service  
WASHINGTON — The failure of President George Bush to win a Japanese commitment to help finance a \$8.2 billion atom-smasher in Texas has put the project in serious jeopardy in what may be a make-or-buy year for it.

Japanese backing has long been viewed as a prerequisite for the completion of the superconducting supercollider project, which is designed to study the basic forces of nature. Bush administration officials were expecting Tokyo to pledge as much as \$1.5 billion during the president's just-ended visit.

But the announcement that Tokyo had merely formed a working group to further study any Japanese involvement in the project left some supporters of the supercollider stunned.

"The supercollider is in precarious position," said Representative George E. Brown Jr., Democrat of California, chairman of the House Science, Space and Technology Committee.

"Without Japanese participation, it will go down the tubes."

Fred Bucy, former chairman of the Texas National Research Laboratory Commission, said, "We're going to have to persuade Congress that this program is so important that it must be done even without international support." He resigned last summer while urging Washington to abandon any pretense that significant foreign contributions were a realistic expectation.

Persuading Congress that the United States should go it alone, however, may be an uphill struggle because legislators have been voting with increasingly closer margins in recent years to kill the project, which some say has become a serious drain on many vital science programs.

The supercollider, scheduled for completion in 1999, would be the world's largest scientific instrument and most powerful particle accelerator. Using thousands of magnets still being developed, it would hurl beams of protons around a 54-mile (87-kilometer) oval tunnel underground at great speed, forcing them eventually to collide.

By studying the resulting debris — subatomic particles that make up all matter — physicists

hope to learn more about the fundamental properties of matter and energy, possibly uncovering clues about the origins of the universe.

Japanese support for the supercollider is considered indispensable because both the Reagan and Bush administrations have acceded to congressional demands that the project obtain at least one-third of its financing from nonfederal sources.

India is the only country to announce its support, pledging \$50 million; Texas, the host state, is spending \$1 billion. That leaves a shortfall of about \$1.7 billion. The European nations have their own atom-smasher and are not expected to help with the U.S. project.

The lack of a Japanese commitment "reinforces the growing reservations that were manifested the last time Congress voted," said Representative Howard E. Wolfe, Democrat of Michigan, chairman of the investigations and oversight subcommittee of the House Science, Space and Technology Committee.

A Senate proposal to kill the supercollider outright won 37 votes last year.

# All of Fainting Spell on Tape

## Japanese Network Withheld the Most Graphic Footage

By T.R. Reid  
Washington Post Service

TOKYO — The mystery surrounding the videotape of President George Bush's collapse at a state dinner here deepened Friday when it was revealed that there is clear, dramatic videotape of the actual moments when the stricken Mr. Bush reeled, vomited, passed out, and toppled from his chair in a dead faint.

The tape, which shows a frightened Barbara Bush leaping to embrace and assist her husband, has not been broadcast. The tape shows what happened immediately before the scenes that have been broadcast everywhere, when Mr. Bush is lying on the floor surrounded by Secret Service agents.

If Mr. Bush's health becomes an issue in the 1992 campaign, the tape that has not been shown could increase his political problems — if it is ever broadcast.

That may explain why this tape has not been released. The Japanese government, embarrassed that the situation has caused political trouble for its American guest, has sharply criticized NHK, the big Japanese public broadcasting network that was in charge of the cameras at Wednesday's state dinner.

The tape of Mr. Bush's collapse was made because an NHK cameraman defied a government ban on filming.

Security agents worked strenuously at the state dinner to prevent photographers from getting pictures of the stricken Mr. Bush. In fact, though, the videotape depicts the presidential collapse vividly.

As the "poor" camera crew for the dinner, NHK set up two cameras in the banquet room at the prime minister's residence. But Japanese and U.S. officials ordered reporters to leave the banquet room near the start of the dinner. They did so reluctantly, but the NHK man left one camera running, the one aimed directly at the table where Mr. Bush was sitting.

NHK cameramen said the unmanned camera was sending its signal to two monitors, one to the press holding room at the residence, and the other to NHK headquarters.

NHK officials initially said there was no tape of the moment

when Mr. Bush collapsed. They said a technician who saw the collapse on the monitor quickly pushed a button to start taping, but that the camera's signal was cut taped until half a minute or so after Mr. Bush fell.

But there is a tape, played for The Washington Post, that shows the entire crisis. This videotape is more graphic and more revealing than the scenes that have been broadcast.

The tape opens with the guests eating and chatting at the head table. Mr. Bush, Prime Minister Kiichi Miyazawa, at the president's left, and Barbara Bush to the left of Mr. Miyazawa.

A Secret Service man is seen

Eventually, the tape reaches the section that has already been broadcast, with Mr. Bush on the floor, then rising with a smile and pumping his left arm as a sign of assurance to his host.

It was not clear why later portions of the tape had been broadcast, but not the crucial moments.

NHK has cooperative arrangements with other networks around the world. There was disagreement here Friday as to whether those partner networks had access to the signal from the unmanned camera at the state dinner. The scene could have been taped from any monitor in the world that was receiving the NHK camera's signal.

NHK's partner in the U.S. is ABC-TV. ABC has not shown the tape of Mr. Bush's actual collapse.

The non-familiar tape that begins a half-minute or so after Mr. Bush fell was initially broadcast by NHK on Wednesday night about 40 minutes after the incident. Then NHK made it available to all other networks around the world.

NHK's action set off a dispute in Japan, where government tries, with mixed success, to control what can be reported about public events.

Japan's governmental spokesman, Taizo Watanabe, formally apologized to his American counterpart, the White House press secretary Marlin Fitzwater.

"We have explained to the American side that we are making strong representations to NHK for violating the rules of filming that evening," Mr. Watanabe said Friday. "We are pursuing this further."

NHK, the biggest and most popular broadcast network in Japan, is a noncommercial operation that is financed by monthly pledges from tens of millions of households here. It is not a state-run or government corporation, but it does submit its budget plans for review to the Ministry of Posts and Telecommunications.

Ryuichi Teshima, the NHK correspondent who was at the state dinner, strongly defended his network's filming of the scene. "The people's right to know must prevail," he said. "That is definitely our position."

# It was not clear why later portions of the tape had been broadcast, but not the crucial moments.

standing directly behind the president. But since his eyes are prowling the room, he fails to notice any problem until Mr. Bush is already down.

While Mr. Miyazawa and Mrs. Bush are talking, the clearly stricken president closes his eyes and his head reels. In the scariest moment, he appears to pass out completely, and his inert body slumps to the left, toward Mr. Miyazawa.

The first person to notice any problem is Mrs. Bush. Looking horrified, she first reaches toward her husband. As the president falls from his chair toward Mr. Miyazawa's lap, Mrs. Bush leaps up, puts her arms around her husband, and works to clear vomit from his mouth with a napkin.

Mr. Miyazawa, remarkably calm despite a large amount of vomit in his lap, then cradles the president's head. As Secret Service agents gently put Mr. Bush on the floor, Mrs. Bush moves away and appears to say something like "Give him more air. This is why the tape that has been seen shows Mrs. Bush staying some distance from her husband the whole time."

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NHK officials initially said there was no tape of the moment

# President's Rating Falls to 48%

New York Times Service

NEW YORK — Eight of 10 Americans said the economy is in bad shape, and George Bush is paying a clear political price for their discontent, according to the latest New York Times/CBS News Poll. But voters know little about the Democrats who would challenge him.

The telephone survey, conducted Monday through Wednesday, showed an unpredictable terrain at the start of this election year. The president's approval rating is down by three points, to 48 percent, and voters are evenly divided when offered a choice between re-electing Mr. Bush or replacing him with a unspecified Democrat.

But the real Democratic field has barely penetrated their consciousness, according to the telephone survey of 1,376 adults.

# BUSH: On the Defense

(Continued from page 1)

measures, including steps in Australia, Singapore and South Korea, before he arrived in Japan for negotiations that he counted on to help correct Japan's massive trade surplus with the United States.

For Mr. Bush and his entourage of advisers and U.S. business executives, the critical objective was to open Japanese markets to American cars and automobile parts.

Not only were the trade results inconclusive, by the accounts of the U.S. automobile executives who were intended to benefit, but Mr. Bush, exhausted by his exertions, collapsed at a formal dinner offered him by Prime Minister Kiichi Miyazawa on Wednesday. He said it was a touch of flu.

Making the president's personal embarrassment general, his distress was broadcast around the world because a remote television camera had been left functioning in the prime minister's dining room.

Asked Friday whether he thought the Pacific tour, dominated as it was by his collapse in Tokyo, might have been a "political bust" as he readies for a re-election campaign, Mr. Bush replied, "I don't think collapsing with the flu helped."

Before he left for Asia, Mr. Bush, in a message aimed at voters, said his objective was "jobs, jobs and jobs."

The idea was that by gaining greater access to Asian, especially Japanese, markets for U.S. automotive products, employment in the United States would benefit.

If there were to be such a bonus, it was not clear to the business executives who joined his trip.

"We were all disappointed in some of the automotive proposals," said Joseph T. Gorman, the chairman of TRW Inc. "There was no agreement, underline no agreement, on that whatsoever."

Lee A. Iacocca, chairman of the Chrysler Corp., who also accompanied the president, said: "Without persistent outside pressure, the Japanese will not move at all. And why the hell should they? They're winning. In fact, they're beating our brains in."

"We need to use our own weapon," Mr. Iacocca said. "That means demanding a solution to the problem now, and retaliating now if we don't get it."

The president's political opponents, the Democrats, were severe in their assessments.

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Mr. Riegle's home state has been particularly hard hit by the change in the fortunes of the U.S. auto industry.

Carl Levin, Michigan's other Democratic senator, said: "Until the president is willing to attack trade barriers by placing equivalent restrictions on the goods of other countries that place those barriers on us, our trade policy is going to continue to be weak."

# QUAYLE: A Role as Her Husband's 'Eyes and Ears'

(Continued from page 1)

dedicated than as the keeper of Mr. Quayle's image. Her concern about her husband's image was dramatically displayed last year, when she visited the offices her husband maintains in the Dirksen Senate Office Building. On the wall was a large photograph of him finishing a golf swing. His shirt had gathered and filled at his stomach, suggesting a paunch.

"You can't have that up there," Mrs. Quayle said she remembers saying. "It's terrible — Take it down — Look at that stomach!"

She picked up a pen and scribbled out her husband's image with heavy strokes, first the midsection and then the rest of him.

"I made it, so you couldn't see who it was," she recalled.

"We took it pretty much as a joke," said one of the women who witnessed the incident, "but it got very intense. It did flash through my mind: She's taking a lot out of that picture."

Once she had finished the scribbling, Mrs. Quayle said, it crossed her mind that she had compounded the problem. "I realized somebody could take that" and say, "The vice president's wife did that."

A witness said Mrs. Quayle then placed the picture on the floor and "kicked it."

and indignant over the prospect of the matter becoming public. At several points, her voice quavered and she became tearful.

"I don't lose my temper very often," she said, "I am not violent."

Greg Zoeller, a former member of Mr. Quayle's Senate staff, said he would "kind of bust the bubble" of her kind of being the witch of the office.

He said that word of mouth had made minor incidents into legends that "she's just crucified some poor tumor staff member."

Mrs. Quayle has, on occasion, dismissed members of her husband's staff, including Diane Weinstein, Mr. Quayle's first legal counsel as vice president. "She was in a position where I had good expertise and had to deal with it," said Mrs. Quayle, who is a lawyer.

But several close associates of the vice president's, projecting his wife as a potential first lady, made a perhaps inevitable comparison.

"If she got to be first lady, the public would soon forget about Nancy Reagan," said one current close Quayle associate. "Nancy would soon be considered a woman of the people."

"She's not a scientist, but she is a brilliant woman," Sam Broder, director of the National Cancer Institute, said of Mrs. Quayle. "I very rarely use the word 'brilliant,' but she earns, she retains, she grasps in the way a few, very brilliant people can, even in a field that is not theirs."

After the 1988 election, when she contemplated life as the vice president's wife, "I thought, man, it's going to be tea and crumpets and I would just go nuts," Mrs. Quayle said. She decided to apply herself to cancer research and disaster relief, and she has become a public advocate for both. She wins exceptionally high praise from government professionals, who marvel at her seriousness and technical comprehension of the subjects.

As a promoter of early detection and prompt treatment of breast cancer — her mother died of it in 1975 — Mrs. Quayle "brings a great air of moral authority, credibility and clarity," Mr. Broder said. He said he has never encountered an official in Washington with a greater appetite for briefing materials, or greater skill in asking probing questions.

When Mr. Broder's comments were relayed to her, Mrs. Quayle responded with pride — and relief. Her fear, she said, was that she would be regarded by such professionals as "just window dressing."

On her husband's presidential ambitions, she said, "It's not that he's actively pursuing it," but the Quayles' philosophy of never being in the position "where you close the door."

"You always put yourself where you're the one that gets to make the decision."

"You see some people with a real compelling drive — 'Bow I'm going to get to the top no matter what. That's no Dun'.

She added, "I think the one thing that always has held Dan in good stead, he never felt government was his life's work; that neither of us had any problem going home."

# Cystic Fibrosis Tests Hold Promise

## Gene Therapy Makes Healthy Copies to Counter Defect

By Natalie Angier  
New York Times Service

NEW YORK — Advancing smoothly and swiftly toward human gene therapy for cystic fibrosis, the most common lethal hereditary disease, scientists have introduced into the lungs of experimental animals healthy copies of the gene whose defect causes the disease. The healthy copies then blurred to life and stayed robust for six weeks.

Should the new method prove safe in further tests, the scientists said they could begin human trials within the next 12 to 18 months, thus offering cystic fibrosis patients the most promising treatment yet for their disorder.

It would be the first treatment to prevent the buildup of mucus that causes the lung damage in the disease. Enzyme treatments can ease the early symptoms of cystic fibrosis, but intractable lung problems have been the leading cause of death for people with the disease. About 30,000 Americans suffer from the disease, and their average life span is 28 years.

"This is extremely encouraging,"

and we're very excited," said Robert J. Beall, executive vice president for medical affairs of the Cystic Fibrosis Foundation. "Gene therapy is the ultimate therapy for cystic fibrosis, and if we can get through the safety experiments we'll be in great shape."

Ronald G. Crystal of the National Heart, Lung and Blood Institute in Bethesda, Maryland, and his colleagues performed the experiment by infecting laboratory rats with a genetically altered version of a common cold virus, which harbored a copy of the gene that is missing or deficient in patients with cystic fibrosis. The virus had also been deactivated so that it could no longer cause respiratory disease, but merely served as a molecular delivery van.

To the scientists' delight, the cold virus successfully entered the animals' lung and airway cells and began propagating significant amounts of the vital cystic fibrosis protein. The results were published Friday in the journal Cell.

"I think it's fantastic," said Lap-Chue Tsui of the Hospital for Sick Children at the University of Toronto, who helped discover the cystic fibrosis gene in 1989. "There are many concerns, but this is definitely a big step forward."

The animals did not suffer from cystic fibrosis, and so the treatment could not be expected to cure the disorder. But previous experiments in a test tube have shown that adding back the missing gene to diseased lung cells of cystic fibrosis patients corrects the cellular defect, and scientists see no reason why the approach should not work in a living patient.

The research demonstrated that the cold virus, called an adenovirus, would introduce the desired gene into a live animal's lungs, and that the gene would generate the vital protein in a quantity believed to be more than sufficient to essentially cure a patient's disease.

"I have no doubt that if we were to take a modified adenovirus, and put it down into the lungs of an individual with cystic fibrosis, we'd get expression of the gene and correction of abnormality," Mr. Crystal said. But he emphasized that many concerns about the safety and effectiveness of the approach must be resolved before any patient will receive the treatment.

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# U.S. Envoy Sees Accord On Cyprus In 2 Months

Review

ANKARA — A U.S. envoy said Friday that an agreement to settle the longstanding Cyprus dispute was feasible in two months if all the parties showed goodwill.

"There is no deadline, no timetable, no pressure, but I think the amount of work to be done can be done in a couple of months' time," said Nelson Ledley, the State Department's Cyprus coordinator. He said that a draft accord could be signed at United Nations headquarters in New York by Turkey, Greece and the Greek and Turkish Cypriot communities.

When Alice Curtis Desmond died in 1990 at the age of 93, she left \$2 million each tax-free to her lawyer and nurse. The rest of her \$18 million estate went to the library she had founded with her former husband, a four-term congressman, Hamilton Fish Sr. The library, a handsome Georgian building in Garrison, New York, contains irreplaceable records of the Hudson Valley. But because Mrs. Desmond had specified that her lawyer and nurse were to get their bequest tax-free, it quickly became apparent that inheritance taxes, plus capital gains taxes, would eat up the rest of the estate, leaving nothing for the library. A county judge, however, ruled that the nurse and lawyer would have to pay their own taxes. This restored about \$2 million to the library, assuring its survival.

With a view to reducing environmental damage, the Federal Energy Regulatory Commission will review applications over the next two years for relicensing 237 U.S. hydroelectric dams. Most of them were built early in this century, well before builders seriously considered the harm a dam could do to fish and other wildlife, river beds and stream banks. A spokesman said the agency, for

example, could order dam authorities to construct fish ladders that would allow salmon to spawn upstream.

Record stores in Guilford, New York, a suburb of Albany, now refuse to sell recordings marked "Parental Advisory: Explicit Lyrics" to anyone under 17. A parent's complaint brought a police notice that such sales might violate the 1967 state obscenity law. Civil rights advocates contend that the "explicit lyrics" warnings, issued by the recording industry itself, are enough and that free speech is being restricted. Town Supervisor Anne T. Rose said: "We're not trying to stop anyone from selling anything. We're asking record store owners to exercise some judgment so that very young children don't buy it."

A golf bag with two shoulder straps, modeled after the backpack, is being sold by Wilson Sporting Goods Co. of River Grove, Illinois. The bag is designed to balance the weight of clubs more evenly across the back. "You can't believe the idea hasn't been around before," a spokesman said. But apparently not. Suggested retail price: \$149.

Arthur Hogue

# Dining Out

PARIS 6th  
JEZEBEL  
Soul and blues music atmosphere with CHECK TIDRANE TRIO. New style jazz 190 ft. cars 220 ft. garage. Service til 030 am. Closed on Sundays. 7, rue Sorbier. Tel. (1) 42.60.20.92.

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LE WESTERN  
The American restaurant in Paris. Formula Westerns F.R.230. Rev. and Open daily. Tel. 42.73.92.00. Paris Hilton - 18, ave. de Suffren.

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## AMERICAN TOPICS

### Car Dealer Tries the No Sell

The Swanson Chrysler-Plymouth dealership in St. Petersburg, Florida, is trying a new way to sell cars. It has cut its sales staff of 15 to four managers who use no salesmanship at all. They simply answer questions, conduct test drives and offer a take-it-or-leave-it price.

"People know what they want," said George Fischell, the general manager. "They don't want sales pressure when they buy a car."

Mr. Fischell said the dealership got the idea after sending questionnaires to customers on how to make buying a car easier. "Get rid of pushy salesmen" was a typical request. The move will cut costs, saving on commissions, health insurance policies and other expenses, with the savings passed on to customers, Mr. Fischell said.

He said he hopes to make money by doing volume business and receiving manufacturer incentive bonuses for selling more cars.

## Short Takes

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INTERNATIONAL Herald Tribune

In Tokyo, Opportunity Lost

A Fiasco for Bush

Personal diplomacy is one of George Bush's great strengths as president. Car salesmanship is not. His three-and-a-half-day visit to Japan, interrupted by a frightening bout of stomach flu, was a fiasco.

A Demeaning Flop

President George Bush's trip to Asia was an exception to a rule. Mr. Bush is usually at his best in the international setting. But the trip to Asia, and mainly the visit to Japan, was awkward and, by the standard the president himself allowed to be set for it, a flop.

Hope, at Least, for Haiti

A fragile arrangement is reported that could ease the crisis in Haiti, where the military ousted the elected president, Jean-Bertrand Aristide, in September. Father Aristide is asking the parliament to designate as prime minister an opposition politician named René Théodore, a compromise candidate who had repudiated the coup but had also distanced himself from Father Aristide.

Lessons of Wilder's Failure

The withdrawal by Governor Douglas Wilder of Virginia from the presidential campaign has elicited the standard responses. Other Democratic hopefuls express admiration for their departed colleague even as they angle to take in his constituency.

been able to offer constructive responses. To take one obvious example, Japan has benefited mightily from the reduction of global trading barriers since World War II. Negotiated mainly through the General Agreement on Tariffs and Trade, Tokyo is now honor-bound to give other countries the same opportunity by helping to lower barriers in agriculture and services.

Secretary of State James Baker recently made headlines in Tokyo by saying Japan owed the new international order more than just "checkbox diplomacy." Many Japanese agree, Mr. Miyazawa among them.

pan while constraining it in America [the obvious method being gradually to reduce the federal budget deficit], with currency realignments to follow and match. In that sense the gaudy agreement on the part of the Japanese to a "strategy for world growth" and the elliptical language on the part of both governments seeming to bless a recent decline in the value of the yen at least pointed in the right direction.

Gulf War: The Jewel in Bush's Crown Has Lost Its Gleam

By George F. Will

WASHINGTON — On the first anniversary of the Gulf war we see that the war triggered a burst of triumphalism that was self-refuting. If that war, in which the United States and a largely rented and Potemkin coalition of allies smashed a nation with the gross national product of Kentucky, could make America "feel good about itself," as was then said, then America should not feel good about itself.

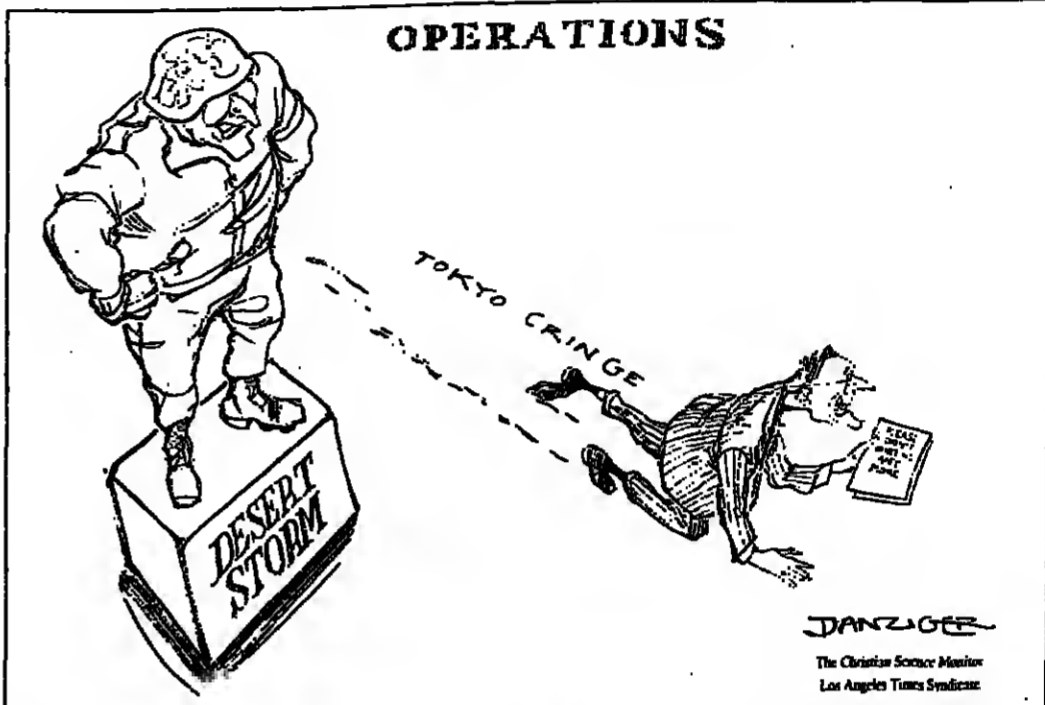
Errors and Opportunism: Bush's Year-Long Slide

By A. M. Rosenthal

NEW YORK — One year ago next week George Bush took one of the most important, risk-filled and courageous steps ever ventured by a U.S. president — to do battle against an aggressor who had not directly attacked the United States.

enies about sovereignty and constitutionality, and about the process and substance of Mr. Bush's foreign policy. Although the war was a demonstration of U.S. military strength, a lasting political consequence may be weakness, a disabling dilution of American sovereignty. Mr. Bush made U.S. policy subservient to the United Nations at a moment when the UN was pleased to be subservient in the United States. But there may come a time when the United States will be held hostage to the UN.

OPERATIONS



government while political leadership in Europe goes rapidly to Germany, and says not a word. Mr. Bush has made the free-democratic United States the main supporter of the Syrian dictator, discernible from the Iraqi variety only by the difference in mistakes.

What else does he have in mind for Israel to break its will and destroy the name of the nation that the United States once called its only and cherished Mideast democracy? When was that — yesterday?

Great salesmanship: Buy or else. What happened to George Bush? Nothing much, I suspect. Time and again after the Gulf fighting, he had his choice between consistent democratic idealism, which from the Baltics to Beijing has proved itself the most powerful political instrument in the world, and opportunism — which looks smart, for a minute, and then turns out to be too smart by half.

The Cost of Growth: In Japan, Telltale Signs of Social Distress

By Saskia Sassen

ROME — Japan, like the United States, faces a social crisis of its own making. The difference is that Japan's crisis is at a far earlier stage and may never reach the dramatic levels of social distress suffered in parts of the United States.

Some have clearly benefited from economic growth much more than others; the result is disaffection. increasingly unattainable goal for much of the middle class. Some workers now run 90 years, meaning it takes the work of three generations to realize the dream of ownership.

professionals and managers have risen sharply. The highest salaries are in the financial industry. Average monthly earnings in finance for men in 1988 were about 460,000 yen (\$3,680 at today's rates) compared with 347,000 yen in manufacturing, the two sectors on which Japan's might rests. And luxury imports — German cars, French designer clothes, Italian leather goods — rose sharply in the late '80s.

benefit all. There is increasing awareness that some have benefited much more than others. Disaffection is increasingly evident. In a break with the past, firms are now sued when a worker dies of overwork. The violence with which the press has pursued recent scandals in the stock market may be partly a symptom of the disaffection, and of declining social cohesiveness; corruption was long known to exist, a way of doing business and of running the government.

A Security Council Seat for the EC?

By Giles Merritt

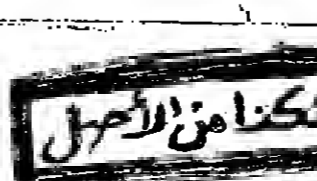
BRUSSELS — When an ad-hoc party of 50 blue-helmeted UN peacekeepers reaches Yugoslavia, it will mark the first deployment of United Nations troops on the Continent. Yet while this may signal hope for Yugoslavia, its implications for the European Community are unsettling.

and Japan have asserted claims, based mainly on economic ties. The debate over a permanent EC seat says more about the realities of European integration than do any of the sonorous pronouncements at Maastricht. Many of the Community's smaller member states believe that the EC should have a permanent seat, to be occupied in turns by the EC government holding the revolving six-month presidency of the Council of Ministers.

ments, meanwhile, have no intention of giving up their privileged UN seats. They resist the prestige and influence involved, and point to contributions they have made. London and Paris publicly sympathize with the UN ambitions of Germany and Japan, but point out quietly that the two are economic heavyweights more than political ones.

noticeable diminution in the number of street offences, and there has been a decrease in the amount of drunkenness among those who from sheer lack of occupation gravitate at night to the public-houses. 1942: Desert Fox Flees CAIRO — [From our New York edition:] Broken Axis mechanized forces were reported tonight (Jan. 10) to be fleeing from the Libyan battleground of Agedabia, ninety miles south of Benghazi, toward El Agheila on the Tripolitanian frontier, with such speed that the pursuing British mobile columns were unable to keep up with them.

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# Georgia Legislators Meet as Rebels Pull Out of the Capital

**Tbilisi, Georgia** — Georgian members of parliament met Friday for the first time since the overthrow of President Zviad Gamsakhurdia as the victorious rebels sought to bring political legitimacy to their rule.

About 60 of the 192 deputies held an unofficial meeting in a cinema after two weeks of fighting reduced the former Soviet republic's parliament to a ruin.

The ruling Military Council reiterated that it would hand over to a civilian administration shortly. The main rebel fighting bands, the forces of Mr. Gamsakhurdia, fled to Armenia on Monday, withdrew from the capital.

"This is not a military regime and the Military Council did not stage a coup," said a spokesman for the council, Zurab Podskveria. "It is hard to say how long it will take to hand over power to political authorities, but it should be less than two weeks."

Tengiz Sigua, appointed provisional prime minister by the Military Council, said Thursday that the parliament would formally convene by Jan. 13 or 14 and that the Military Council could hand over power as early as Jan. 15.

But Mr. Podskveria said that such a swift transition was probably unrealistic.

The rebels have sought to justify the overthrow of a president elected only seven months before, with 87 percent of the vote by accusing him of trying to impose a dictatorship.

Mr. Gamsakhurdia, 52, who says he is still president of Georgia, has promised from his haven in Armenia to work for his return to Tbilisi. The Transcaucasian republic of 5.4 million people was calm on Friday, through Mr. Podskveria said that western Georgia, where loyalists have demonstrated in recent days, was still tense.

He said there was still a risk of violence if pro-Gamsakhurdia demonstrations were held again in Tbilisi in defiance of a state of emergency imposed by opposition forces.

Masked rebel gunmen killed four unarmed demonstrators a week ago and wounded another two on Tuesday.

# Cheney Fears Feud Over Nuclear Arms

**LONDON** — Defense Secretary Dick Cheney said Friday that disputes between Soviet republics over military assets like the Black Sea Fleet could widen into one over the former Soviet nuclear inventory.

Britain expressed concern over the dispute between Ukraine and Russia and urged the two former Soviet republics to work out their differences.

"While it is for the republics to work out their relationships among themselves, we have made it clear to them that we attach importance to single control of nuclear weapons and the need for them to work out inter-republican relations in a sensible and cooperative way," a Foreign Office spokesman said.

Mr. Cheney said that the republics had acted responsibly over control of nuclear weapons and noted that so far the dispute over the fleet had not spread to nuclear issues.

"It's something we watch very carefully, of course, because a dispute over military assets could slip over and affect the nuclear inventory," he said in an interview with BBC radio.

The former Soviet republics, meanwhile, have joined the NATO allies in agreeing that a treaty cutting tanks and other non-nuclear weapons in Europe should remain unblocked. The nations, meeting in Brussels for the first time to discuss the accord, underscored their desire to implement the Conventional Armed Forces in Europe agreement, that was signed in November 1990.

"The CFE treaty should enter into force without renegotiation and be fully implemented as soon as possible," said a statement by the North Atlantic Treaty Organization after daylong talks on Friday. "Treaty obligations assumed by the former Soviet Union should be wholly accounted for by all the newly independent states," it said.

On a BBC television program, Defense Secretary Tom King of Britain warned of a tug-of-war over the control of nuclear weapons. "There are huge forces at work, and we cannot be sure what the outcome will be," he said.

"What we are acutely concerned about is the issue of nuclear weapons to ensure they are not some part of a tug-of-war in which pieces may fall off or get into the wrong hands," Mr. King said.

Mr. Cheney met with Prime Minister John Major on Friday before going to Germany for talks on military issues.

The State Department announced Thursday that a U.S. delegation led by the undersecretary of state for security assistance, science and technology, Reginald Bartholomew, was expected to travel next week to the Commonwealth of Independent States for discussions aimed at limiting the risk of nuclear weapons proliferation.

The talks are intended as a followup to Secretary of State James A. Baker 3d's meetings in December with the leaders of Russia, Ukraine, Kazakhstan and Belarus about possible U.S. assistance in nuclear arms dismantling and protection efforts.

The State Department spokesman, Margaret D. Tutwiler, said that Mr. Bartholomew and the interagency experts that will accompany him were particularly interested in helping the Commonwealth nations establish strict export controls governing nuclear weapons and related technology.

U.S. officials have expressed concern about potential leakage of nuclear weapons technology to Third World countries. The concerns were heightened this week by a report from Moscow that Libyan officials had recently tried to lure two Russian nuclear scientists with offers of higher pay.

In Copenhagen, Prime Minister Poul Schluter said the West should be on a condition for receiving economic aid.

U.S. officials said that Mr. Bartholomew expected to hear concrete suggestions about how the Bush administration should spend up to \$400 million appropriated by Congress to assist the Commonwealth's effort to bolster nuclear safeguards.

Until now, "the Russians haven't shown much interest in our helping them," a U.S. official told The New York Times on condition that he not be named, because they believe that they have adequate controls on nuclear weapons shipments and storage.

(AP, Reuters, NYT)



**NOT AN ESCAPE LADDER FOR YELTSIN** — The Russian president, Boris N. Yeltsin, climbing stairs inside a Russian-built jumbo jet while visiting the factory in the southern city of Ulyanovsk. Mr. Yeltsin has been touring the Russian provinces this week in an effort to calm fears over price rises.

# KOHL: Bonn Rebuffs Critics of 'Assertive' Policies

(Continued from page 1)

energies will be exhausted for the near future with the task of rebuilding its eastern territories and assisting the battered economies of its newly democratic neighbors.

Stressing that theme, Mr. Kohl said, "The best we can do in these coming years, until the end of the century, is to put our house in order, and to show our solidarity by helping others."

Mr. Kohl vowed to press for changes in Germany's constitution, to allow its troops to take part in United Nations peacekeeping missions. The step is opposed by the Social Democratic-led opposition. But he dismissed suggestions that Bonn would seek a Security Council seat. "We have enough to do at home," he said.

A close aide to Mr. Kohl, noting the absence of public debate on the issue in Germany, said Bonn was satisfied that Britain and France, who are permanent Security Council members, adequately represented European interests.

"If a seat did come free, we would be in favor of it going to the European Community," he said, adding that memories of Germany's militaristic past remained too fresh in many parts of the world to permit it taking the kind of visible foreign policy role a Security Council vote would afford.

Mr. Kohl defended his vigorous drive to seek recognition for Croatia and Slovenia, rebuffing demands by the United States, the United Nations and some European allies to remain within the framework of previous European peace efforts.

Citing the recent cease-fire negotiated by the United Nations, Cyrus R. Vance, he said, "I am very sure that with hindsight it will be seen that the position we took was helpful."

He dismissed critics of Germany's recent interest rate policy, arguing that he was unable to influence independent decisions of the

# Beijing Assails Liberal Faction in Hong Kong

**HONG KONG** — A senior Chinese official on Friday accused liberals in Hong Kong of trying to overthrow the Chinese government.

Lu Ping, director of the Chinese State Council's Hong Kong and Macao Affairs Office, singled out the United Democrats of Hong Kong, the territory's largest liberal party. He did not elaborate.

Mr. Lu, who has been in Hong Kong this past week to meet with government officials and businessmen, has created controversy by failing to invite the United Democrats to his social functions or meetings despite the fact that they dominated the colony's first direct legislative elections in September. All pro-China candidates were defeated in the voting.

Several United Democrat legislators are active in the Hong Kong Alliance for Patriotic and Democratic Movements in China, a pro-democracy organization that China has branded as subversive.

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# CHINESE: Village's Upscale Life

(Continued from page 1)

leader, Daqizhuang combined the two positions into one. That official is also chief executive of the holding company owning all village enterprises, suggesting that the village is actually one giant company.

The chief of Daqizhuang, Yu Zuomin, 62, also has a seat on an advisory council to the central government in Beijing. Mr. Yu lives more like a tycoon than a Communist official, and when his son married recently, the wedding and gifts, which included a new house, reportedly cost about \$275,000.

After visiting the United States last year, Mr. Yu remarked that Daqizhuang residents were "much better off than the middle-class" of America, Mr. Sun said.

The village bank holds about \$5.5 million in savings, Mr. Sun said. As economic expansion creates work beyond what Daqizhuang's 4,400 residents can manage themselves, the village has added at least 7,000 laborers from across the nation, according to the official count.

The laborers are paid by the piece for their work. While they are also given housing, they have fewer opportunities for advancement than local people.

At Wanqian Industrial Co., a steel processing enterprise that reported earnings of nearly \$5.5 million last year, 10 percent of the 2,100 employees are from Daqizhuang, and most of them hold positions in senior management. Lin Yunzhang, a villager who studied mathematics at Tianjin University and returned to become a senior personnel officer, is only 27.

Mr. Sun, who went away to a vocational college and returned to



# ASIAN TOPICS

**'Mississippi Burning' Banned by Beijing**

China's chief film censor has banned a U.S. motion picture dealing with the 1960s civil rights movement on the grounds that it shows the forces of American justice in too good a light, Chinese sources said this week.

Tian Congming, deputy minister in charge of cinema at the Ministry of Film, Radio and Television, refused to approve the Oscar-nominated film "Mississippi Burning" because it "sang the praises of the American government and Federal Bureau of Investigation."

They quoted Mr. Tian as adding, "As such, it is not suitable for a Chinese audience."

"Mississippi Burning," a 1988 film directed by Alan Parker, is the story of two FBI agents who travel to the southern state in the early 1960s to investigate the killing of three civil rights activists.

Mr. Tian, a former Communist Party general secretary for Tibet, went on to criticize China's Film Bureau for paying too

# Will Ethiopia Disintegrate?

## Apprehension Grows Over Plans for Ethnic Regions

By Jane Perlez  
*New York Times Service*

**ADDIS ABABA** — Six months after winning control of this war-weary, impoverished nation, the new Ethiopian government is struggling to keep its people together despite ethnic conflicts, a rock-bottom economy and a dispirited bureaucracy.

There is growing apprehension here in the capital that an experiment to dismantle the traditionally autocratic central government into self-governing regions based on ethnicity will result in the disintegration of the country.

This danger is accentuated, Ethiopian and Western donors say, as President Meles Zenawi refuses to shed the Marxist economic ideas of his insurgency movement and pushes the peasants and urban dwellers into even deeper poverty.

"I can see a scenario where it goes down the tubes," a Western diplomat said. "It's not hard to imagine a Yugoslavia. But everyone wants to avoid that."

A member of the new government was also gloomy, saying, "I can see civil war ahead."

After routing the army of the Marxist government of Lieutenant Colonel Mengistu Haile Mariam in May, the insurgent group based in Tigre province in the north and led by Mr. Meles formed a coalition government at a national conference in July.

The main partnership in the new government is between Mr. Meles's Ethiopian Peoples Revolutionary Democratic Front and the Oromo Liberation Front, based on the Oromo people of the southern region, the country's largest ethnic group. The Oromo of the south are largely Muslim and the Tigreans of the north are Christians of the Ethiopian Orthodox Church. They speak different languages.

There have been increasing incidents of fighting between the armed forces of these two ethnic groups as Mr. Meles's forces move into the south as a national

army and clash with a rising tide of Oromo nationalism, according to reports from both sides.

In the last several days, units of both forces have clashed in the string of towns from Harar in the east to Awash, about 325 kilometers (200 miles) west of Addis Ababa. In the last several months, there has also been

Mr. Meles must prevent in other regions what he has agreed to in Entebbe, the northernmost province, which is already functioning as a separate entity. In mid-1993, the Eritreans are planning a United Nations referendum that will most likely confirm and legalize Eritrean independence.

In the Ethiopian capital, a valley of ramshackle iron-roofed houses and some obvious differences since the fall of Colonel Mengistu is government-sanctioned debate in coffee shops, on television and in the newspapers.

After a 17-year era of Stalinist fear, people are talking and grumbling, often on ethnic grounds. The previously dormant university is abuzz with students.

But against this backdrop of new-found expression, there is increased handiness in the city and countryside, mostly by destitute members of the demobilized, 500,000-member Mengistu army.

This insecurity will be aggravated, several Ethiopian and Western economists said, by the government's disappointing economic plan. Announced last month, the long-awaited plan allowed for the privatization of trading but left the rest of the already barely functioning economy, including the state farms, in the hands of the bankrupt government.

This failure to make any serious commitment to economic change may jeopardize much of the promised two-year package of \$500 million from the World Bank, an Ethiopian economist familiar with the plan said.

Mr. Meles's case with the World Bank was not helped, Western diplomats said, when his two chief economic advisers, Kasu Hala and Wanwossen Kebede, two loyalists from the Tigrean insurgency, appeared to be unreconstructed Marxists. Mr. Kasu's professional background is plant science not finance, they added.

"I can see a scenario where it goes down the tubes," a Western diplomat said.

**A Western diplomat**

fighting in the Oromo regions of Arusi, to the south of the capital, and in Wallaga, to the west.

The southern region is agriculturally the most fertile of this chronically food-short country, but the area is now so chaotic that farming has been severely curtailed, agricultural experts said.

In an interview, Mr. Meles, who is 37, acknowledged that the ethnic clashes were worrisome. But, he added, "Things have not gone too far, yet."

"Once we have new security in place," he said, "with a new police force and all armed groups inside camps, there should be no reasons for armed conflict."

Mr. Meles said he was confident that the election of regional assemblies, planned for three months from now, would undercut Oromo or other ethnic secessionist sentiments.

"With regional governments people can use their own languages, develop their own cultures," he said. "What reason can there be for separation then?"

But members of his government concede that it will be exceedingly difficult to hold regional elections in a poorly educated country that has never known democracy.

To keep Ethiopia together,

# High North Korea Official Will Hold Talks in U.S.

**TOKYO** — A senior member of North Korea's Communist Party will visit the United States on Jan. 20 for talks with government officials there, a Japanese news agency said Friday.

The Kyodo Tsushin agency quoted Shin Kanamaru, vice president of Japan's governing Liberal Democratic Party, as saying he learned of the visit Wednesday during a state dinner in Tokyo in honor of President George Bush.

Kyodo said that Undersecretary of State Robert B. Zoellick of the United States told Mr. Kanamaru that Kim Yong Sun, the Communist Party secretary for international affairs, was scheduled to visit Washington.

Mr. Kim is a member of North Korea's powerful 12-member party secretariat, which is headed by Kim

Jong Il, President Kim Il Sung's son and heir-apparent.

Mr. Bush, while visiting South Korea earlier this week, said better relations between North Korea and the United States would be possible if the North followed through on recent pledges to allow inspection of its nuclear facilities.

Brent Scowcroft, Mr. Bush's national security adviser, said Wednesday that the United States was ready to hold talks with Pyongyang at the undersecretary level.

The two Koreas agreed in December to ban nuclear weapons from their divided peninsula. South Korea and the United States have charged that the North is building nuclear reprocessing and uranium enrichment installations and could be capable of making nuclear weapons in a few years. (AP, AFP)

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ART

A Controversial Hong Kong Museum

By Ginger Danto

HONG KONG — On prime real estate bordering Hong Kong's densely skyscrapered Kowloon side sits a sparse collection of buildings distinguished by their mass and mostly windowless facades.

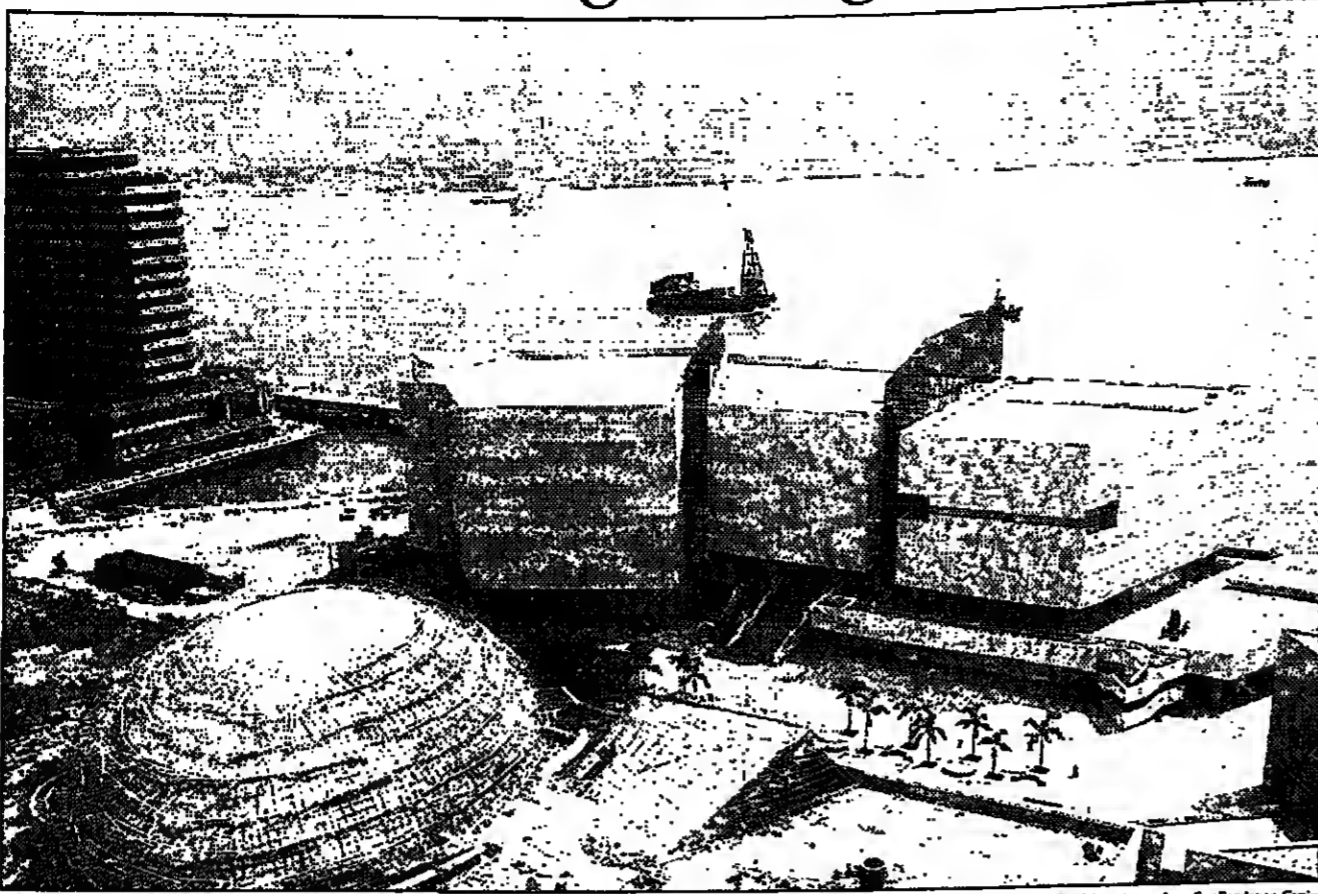
To many, the architectural juxtaposition symbolizes Hong Kong, where ancient tradition and modern technology mix in everyday life.

The museum originated in the upper floors of city hall on Hong Kong Island. Largely due to government emphasis on performing arts, which are believed to draw a wider, tourist-driven public than visual art, the museum had to wait out the design competition and construction before vacating its cramped quarters.

"It was very frustrating," said the Chinese-born chief curator, Lawrence Tam, who joined the museum in 1971 and helped build a permanent collection of Chinese antiquities and fine art, historical pictures and Hong Kong contemporary art.

From his spacious office in the new museum, which has about 17,500 square meters (183,000 square feet), the harbor view takes in his former city hall quarters. Tam has dismissed the protracted and often bitter battles of the past in order to devote himself to a space, staff and public which has grown tenfold. In addition, he now faces the frustration of others — notably factions of Hong Kong's art world who expected an institution devoted to the region's rich ethnography.

One sore point was the museum's choice of contemporary French art to inaugurate the special exhibit gallery. The show, titled "Too French," features the eclectic



The exterior of the new Hong Kong Museum of Art; below, "Too French," the controversial opening show.



work of 21 artists working in France, from César to Sophie Calle.

It proved too exotic for many of the locals, who considered the exhibit inappropriate as an opener.

"I have nothing against 'Too French,' but it could have come at any time," said Henk Hoppener, director of The Touchstone Gallery. "The new museum missed an opportunity to open with some-

rating Western ideas. "This was true in the '70s, when the museum established this direction, but those categories are outdated," said Choi Yan-chi, whose video installations represent the kind of innovative artwork unrecognized by the museum.

"We waited a long time for this museum for Hong Kong art only to find that the one contemporary gallery — less than one fifth the overall space — is 20 years behind," said Choi, one of a group of artists petitioning the government to build an independent contemporary art museum.

If it has failed the present, the museum has nevertheless done justice to the past, with a world-class collection spanning centuries of Chinese art and artifacts from Guangdong to the southern China province nearest Hong Kong.

From bamboo brush pots and cricket cages, to such masterpieces as paper-thin imperial tea ware or a Ming dynasty ceramic Buddha poised on a blue-glazed lotus, hundreds of objects fashioned for ritual, religious and daily use illustrate the versatility of Chinese craftsmanship from the Neolithic period to the early 1900s.

As with antiquities, the museum's Chinese painting and calligraphy collection comprises more than 3,000 pieces, of which less than a third are shown. Highlighting major schools and masters from the Ming dynasty to the present, the ink brush compositions on paper scrolls offer myriad interpretations of the favored theme of nature. Western influence apparent by the turn of the century lends a realism to works by artists who studied abroad.

The West also came to Hong Kong, which served as the gateway to China in the 18th and 19th centuries. The museum's historical pictures present a vivid recording of this period by Chinese and European artists. The works also represent an artistic cross-fertilization between East and West that Tam seeks to continue today.

"A lot of important Chinese artists studied in France and brought back the French influence in the way they paint," he said. "By bringing the latest French art here we're actually following a strong cultural tradition, just one many people are not aware of."

Ginger Danto is a free-lance journalist based in Paris who specializes in the arts.



Onyx cameo with a Medusa head, and 1841 bust of Queen Marie-Amélie.

1800s Opulence

Met Devotes New Galleries to a Decorative Epoch

By Rita Reif

NEW YORK — If visitors to the new galleries of 19th-century European sculpture and decorative arts at the Metropolitan Museum of Art would identify their favorite objects, probably no two lists would be the same.

"It would even be true of the lists I'd make on different days," said James David Draper, the curator in charge of the items in the new Iris and B. Gerald Cantor galleries, three permanent spaces named for the donors. The 410 objects on view were chosen by Draper, a European sculpture specialist, and Clare Le Corbellier, the museum's curator of European ceramics, jewelry and silver.

Glimmering displays of neoclassical jewelry, neo-Gothic clocks, neo-medieval furniture, neo-Renaissance vessels and neo-rococo gilded armchairs document the parade of revival styles that spanned the century, beginning in 1815, when the Bourbons were restored to power, and ending with the flowering of Art Nouveau about 1900.

The 19th century's exploitation of surface decoration, which some critics consider excessive, is seen in the silvered bronze reliefs by Emmanuel Frémiet of Paris on a grandiose cabinet from 1867. A plaque dominating the facade recalls the defeat of Attila the Hun by the Marovingians in 451. Enriching the corners, crest and base are shimmering images of entwined snakes, ox heads, hoofs and a winged monster-insect.

Another tour de force is a silver-and-gold French clock from 1881, a miniature Gothic cathedral awash with diamonds, amethysts and enamel by Lucien Falize, a Paris goldsmith and jeweler.

More than half the items on view are being exhibited at the museum for the first time, and some were added to the collection as recently as last month. Several showcases focus on a style, a country, a major designer or a material.

The popularity of white marble statuary in the first half of the 19th century is documented in allegorical studies and in busts of aristocrats, including an arresting one with sausage curls that depicts Queen Marie-Amélie, the wife of Louis Philippe, made in 1841 by François-Joseph Bosio.

"Many of these things are not especially important," said Draper. "But they are telling — eloquent without necessarily saying it all." One modest and stunning piece is the black onyx cameo with a frost-white Medusa carved on its surface.

Among the more sophisticated pieces are the late-19th-century works of Christopher Dresser, a Glasgow-born designer and botanist of Yorkshire background, whose objects combined many influences.

"He had antennae out to there," Draper said. Dresser designs on view include a Japanese-styled silver coffee service, two medieval-inspired earthenware vessels, a porcelain pitcher with an upturned mouth derived from a pre-Columbian form and a sleekly styled silver-plated brass toast rack that anticipated modernism.

"We needed to end with a bang," Draper said, "and Art Nouveau was the only way to do it as a complete stylistic statement." Included are Antonio Gaudí's exuberantly curved walnut chair with knucklelike curved arms; Leon Kann's porcelain coffee set with storklike handles and realistic insects on the lids, and René Lalique's fantasy necklace of enamels, gold, opals and amethysts that combines sensuous images of insects and women.

Also in this section are dozens of bronze medals and plaques, some of them the work of the Art Nouveau medalist Alexandre Charpentier. "I think all those things have been in the hands of numismatists for too long," Draper said.

THE galleries present some 19th-century items that have been exhibited for decades as precursors of 20th-century styles. "One can't help having modern eyes," Draper said.

"But I would hate to have us doing just the precedents that were set for modernism. We were obliged to provide that, and Dresser was the ideal vehicle. But we also saw the need to set the stage for other developments, including the American Arts and Crafts style that was influenced by all those things coming out of Europe."

Among the forerunners of the arts and crafts style in the United States is a pair of nesting French candlesticks with spiked tops. "Aren't they nifty?" Draper said of these late-19th-century items. "So much more convenient for traveling."

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Warhols, on Loan, Face Freeze Damage

PRAGUE — Graphics by the late American pop artist, Andy Warhol, on exhibition in Slovakia, are in danger of suffering irreparable damage from freezing temperatures, a newspaper reported Friday.

Twelve of the 13 graphics exhibited in Warhol's native Medzilaborce, a small town in eastern Slovakia, may be damaged by insufficient heating in the local museum, the Rude Pravo daily said.

- ACROSS 1 One of the Canary Islands 6 Parrot 11 Kentucky Derby winner, 1955 16 Box 20 Argot 21 "Free Wheeling" auth. 22 A unit of weight 23 The Nile, as a god 24 Storm 25 "The Duino Elegies" poet 26 Israeli coin 27 Another, in Acapulco 28 Part of A.L.U. 29 Aerie resident 30 Dud 31 Sign of pleasure 32 Two-wheeled transport? 34 Carelessly constructed? 36 Regards 37 Germ 38 Seat for a judge 39 Sign language 43 Rocker John 46 Silenus, e.g. 49 Suffix for boy 52 Nev. neighbor 53 Fancy dive? 55 Cornhusker city 57 Packer 58 Means 60 Verve 61 More accurate 62 Fountain of Rome 63 Cut 64 Sincere 66 Part of Muslim prayers 67 Selfish one 69 Threads 70 Summons 72 Dallas-to-San Antonio dir. 75 Sharpen 76 Distinction 78 Kirghizian mountains 80 Certain railroads 81 A cotton fabric 83 Sentence 84 Dash 86 Gloriate 87 Trouble 90 Adlai's running mate, 1966 92 City W of Erfurt 96 A literary Bell 98 Eskimo knives 99 Send abroad 100 Impressions 101 Ballerina Shearer 102 Hair clasp? 104 Approximates 105 Org. for Spock 106 Coat rack 108 Make amends 109 Some carriers 111 Problematic 113 Indonesian islands 114 Prickly pear 115 Pasta request? 120 Brawl? 127 Selene's realm 128 Forgive 129 Cheeks like roses, e.g. 130 Light entertainment 131 Hillside near a loch 132 White poplar 133 Vapid 134 Grave 135 Color of raw silk 136 Troubles 137 Massenet opera 138 Stretch 139 Extremists, for short 140 Rendezvous 141 Publish 142 Lawn tool

Solution to Puzzle of Jan. 4-5

ACROSS: 1. DASH, 2. MERRY, 3. HAZARD, 4. BROADCASTER, 5. QUIZ, 6. SLOUGH, 7. NEARBY, 8. ARUM LILY, 9. OUT OF LINE, 10. STIMULATE, 11. MOUNTED, 12. HAZARD, 13. BOUQUET, 14. SOMETHING SAID, 15. FILL-IN, 16. JAMES CLAVELL, 17. HAND GAME?, 18. ETIOT'S 'CRUELlest mNth'

Highly Proper By Barbara Springer

Crossword puzzle grid with numbers 1-142.

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- 19 Merry 20 Carsan predecessor 29 Tree-of-life site 33 Swedish rug 34 Uoo 35 Magnate 37 Fillet 39 I.R.S. employee 44 Judah Ben- 45 Four seasons 68 Exude 69 Title for a Benedictine 71 Spicy dessert? 72 Plan 73 Alnha's cousin 74 Advertising medium? 76 Furze 77 Shure 50 See 26 Across 51 Hector 54 Strapped 56 Painter Joan 58 Score for Steffi 59 Workbench adjunct 64 Judah Ben- 65 Four seasons 68 Exude 69 Title for a Benedictine 71 Spicy dessert? 72 Plan 73 Alnha's cousin 74 Advertising medium? 76 Furze 77 Shure 78 Box-elder-genus 79 Hunger 82 Film 83 Question 84 Chief Justice: 1011-16 85 Tyrolean song 88 Roll up 89 Ice mass 90 Fair 91 English 93 Bullets, e.g. 94 Constellation 95 Org 97 Relish 99 Famulus last words 103 Exceptional 107 Magnize 109 Slipper 110 Common connective 112 Meleager's father 113 Certify 114 Knack 115 Winsor's "Forever" 116 "Romancero gitano" poet 117 Interdier 118 Abrasive 119 McKinley's birthplace 120 Money of the Mid East 121 Native of Muscat 122 A sturdy chuffon 123 Spaded new 124 Like Humpty Dumpty 125 Peripheral 126 Piercing 129 Lamebram 134 Ecological org.

هكذا من الأصل

# Sinister Times: Mystery and Violence in Making of England

**L**ONDON — Few art exhibitions have the power to grip from start to finish with a mix of mystery and novelty, of symbols and inscriptions one would like to decipher but cannot, and rarely seen objects dragged out of remote museums and churches. "The Making of England: Anglo-Saxon Art and Culture A.D. 600-900," at the British Museum until March 8, is one of those.

In the catalogue's historical introduction, Nicholas Brooks sums up what little is known of the events that ushered in Anglo-Saxon Britain. In 410, the Roman authority pulled out.

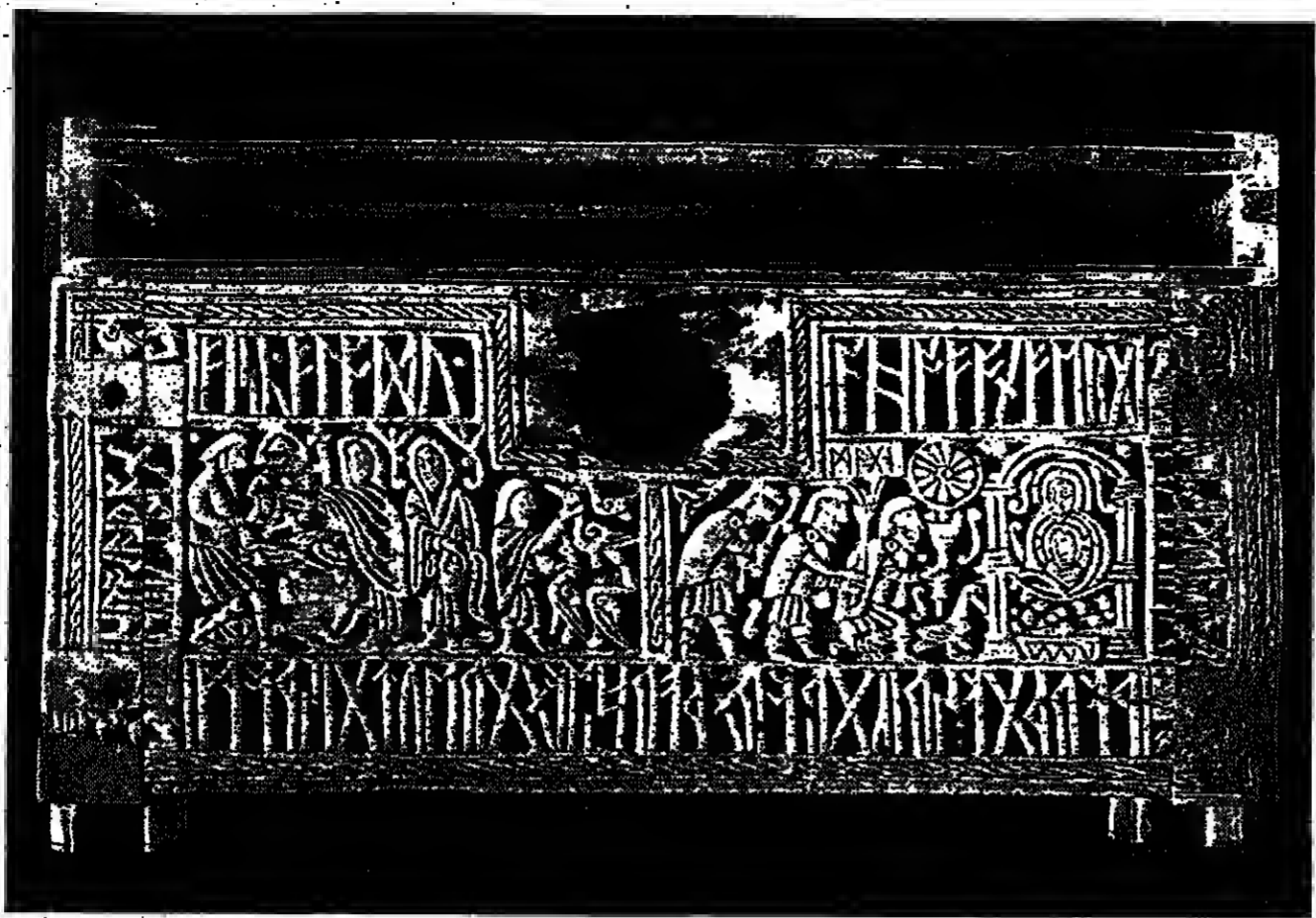
**SOUREN MELIKIAN**

With the troops being withdrawn and the cities instructed to provide for their own defense, these were doomed. They disintegrated, the civil service vanished overnight, and Latin fell out of use. Britain reverted to the language of its Celtic population, "British" or "Primitive Welsh," as historians call it.

The Angles started pouring in from what is now northern Germany and Saxon mercenaries were called in from the same area to fight off the former. When fed inadequate rations, the Saxons struck an alliance with the enemy. By 441-442, if a chronicle from Gaul — present-day France — is to be trusted, the Anglo-Saxon conquest of much of Celtic Britain had taken place.

The next 150 years must have been as sinister as they are obscure. One hears about a big British victory at "Mons Badonicus," which has yet to be identified, probably about A.D. 500. Half a century later the conquest, checked for a while, gathered steam. The Celtic language was stamped out in the low country of Britain, the population probably enslaved. "Waelh" (Welshman), as Britons are called in Old English, is also the common word for "slave."

Paganism dislodged Celtic Christianity and gave the days of the week names that English retains. Tuesday and Wednesday were those of the war gods Tiw and Woden, Thursday was dedicated to the thunder god, Thor, Friday to a goddess, Frig. But Christianity trickled back. In 596, Rome sent 40 monks to spread the good word in Kent. In 634 Oswald, who had taken refuge among the Celts of western Scotland, came back to Northumbria, seized the throne and a year later was calling in monks from Christian Ireland to Lindisfarne to convert the diverse communities he ruled. The movement accelerated. By the end of the seventh century nearly all the royal courts were Christian, monasteries and bishoprics were springing up all over. What makes the exhibition fascinating is



Carved whalebone Anglo-Saxon casket found in France, and iron sword, a recent find in Yorkshire.

the visual evidence of the slow transition from the Germanic religions to Christianity in the England that took shape over the ruins of Celtic Britain, with the help of Christian Celts.

At first the process was barely noticeable. A gold pendant of the early seventh century with gemstones set in cellwork is decorated with three whirling eagle-headed arms over concentric rows of small ace-of-spade-like esoteric symbols in gold filigree. The patterns may be borrowed from the Iranian world but they are utterly transformed by Anglo-Saxon aesthetics. Another related pendant shows the Christian cross similarly disguised — some would even question its Christian character. But a third related pendant is shaped as a cross of which one arm is differentiated while a fourth pendant, which falls in sequence with the previous ones, is

explicitly Christian. It incorporates, in the middle of a cross, a gold coin from Byzantium which shows the busts of Heraclius and Heraclius Constantine on one side and a Christian cross on the other.

The connection with the East is hardly surprising — the liturgy in Christian Ireland was that of Coptic Egypt. The connection is maintained in the extraordinary finds from Sutton Hoo. Two silver spoons inscribed with Christian owners' names in Greek lettering, Saulos and Paulos, are probably Syrian (which would explain why the scribe does not seem fully at ease with the Hellenized names). So are clearly 10 silver bowls not in the exhibition, near which the spoons were found. The entire "Sutton Hoo Ship Burial" remains an unsolved riddle, as the monograph by Angela Care Evans recently

published by the museum reminds us. It provides evidence of antiquarian interest. One of the most beautiful Celtic bowls in existence, earlier by several centuries and repaired with Germanic style silver patches, was part of the find. This was unfortunately also left out of the show, although it is in the British Museum.

Even stranger is a complex object that the catalogue refers to as a "sceptre" in quotes, while the label drops them. No one so far is quite sure of its nature. A long stone shaft, square in section and expanding slightly in the middle, is carved at each extremity with human masks, each one differing from the other. At one end, it is encased in a bronze openwork cuplike stand. At the other end it is fitted with a bronze stand supporting an iron ring topped by a bronze stag recovered from Sutton Hoo long

after the whetstone came to light. They do not seem to belong together and have every appearance of a "marriage" made in antiquity.

As the exhibition progresses, other strange pieces turn up. A helmet made from forged iron plaques is related to Viking helmets from Sweden, with its attached cheek pieces and the protective mail coming down over the neck. An inscription hammered on the brass bands that cut across at a right angle on top gives an explicit profession of Christian faith in abbreviated Latin. Oddly, it reads from right to left like Aramaic or Arabic. Only the name betrays the owner's Anglo-Saxon identity, "Oshere the Christian" (rather than "Christ," as the abbreviation "XPI" has been read).

Weirdness peaks with a whalebone casket which turned up at Auzon in the Auvergne in

1867. Augustus Franks, a curator and collector, bought it from a Paris dealer to present it to the museum. The front wall, divided into two panels, illustrates the Adoration of the Magi. The left side shows Romulus and Remus nurtured by the wolf and the back panel, the capture of Jerusalem by Titus, when still a general, in A.D. 70. The right side is inspired by Germanic legend as is the top, where a Germanic hero, Egil, is named in Latinized form. The long captions over the scenes mix old English and Latin, the former in runes, the latter in the insular version of the Roman alphabet.

Not much survives of the sculpture. What does is tantalizing. A huge animal head from St. Peter's in Monkwearmouth, County Durham, possibly the top of a pole that once partly framed the back of a throne, dates from the eighth century. So does, perhaps, the tapering shaft of a cross carved in low relief with a character walking with a dancing step. It anticipates some Romanesque developments by three centuries.

**A**DD a few famous manuscripts from the British Library — the Lindisfarne Gospel, a masterpiece of purely Celtic art produced in the eighth century — or the Vatican, the show would be a sheer enchantment, were it not for a display that sometimes makes it hard to see the pieces. The Ormside bowl in gilded silver, one of the gems of eighth-century Anglo-Saxon art, carried all the way from the Yorkshire Museum in York is set at such an angle that the admirably stylized birds in low relief can at best be surmised. There are curious omissions — the wonderful seventh-century hanging bowl with stylized bird attachments from the same museum — and hideous copies make up for some, such as the cross in the Salzburg Diocesan Museum.

The catalogue will stay as a lasting regret. Indispensable as the latest update on the subject, its photography is often awful, the layout haphazard, the typography pedestrian. The text written by a host of contributors are highly readable in a few cases and hard to digest in many more. Several entries run on endlessly, trotting out what the eye sees. The excuse is surely "scholarship." A chronology in tabular form would have helped readers who do not have the names of Aethelbert of Kent or Raedwald of East Angles at their fingertips. The museum is to be congratulated for money, like every art institution in the land. "Sponsoring" is not quite enough when it comes to "The Making of England," nor saving its culture from going to the dogs. Alas, poor York.

## Wall Art, or Portraits of Teenagers

By Georgia Dullea  
New York Times Service

**N**EW YORK — A couple of years ago, a photographer named Adrienne Salinger began studying the faces of teenagers in shopping malls, movie lines and fast-food restaurants around Syracuse, New York.

"I'd approach interesting-looking kids and ask if I could photograph them in their bedrooms," she said. "But they had to promise not to clean the rooms." Funny, said the teenagers, we were just about to clean our rooms. Oh well, anything for art.

"Of course, their parents were appalled," said the photographer. "Not only was I telling the kids to leave the rooms as they were, I was telling them how terrific they looked." With an occasional mother hovering in the doorway, Salinger managed to set up her tripod and 1,000 watts of light in the modest bedrooms of 61 teenagers. In an earlier West Coast project, she photographed 75 young people.

The rooms, like their occupants, are studies in contradiction: a girly magazine say, juxtaposed with a shelf of model airplanes; heavy metal posters and Snoopy lamps; baby dolls and birth control pills. "When you're coming of age," Salinger said, "you feel a lot of things at once and most of them conflict and all are represented in your room."

Her subjects were all about 16. Many would soon be moving out of their rooms, at least for a time. "Once you go away to school for the first time, you start to edit yourself," she said. "You have a sense of your public and private personas. But you don't at that age. So it's all there — everything you have ever felt anything about — crammed into that little room."

An exhibition, "Teenagers in Their Bedrooms," runs through Feb. 9 at the Elsa Mott Ives Gallery. Another exhibition of the Salinger bedroom series is at the Stephen Wirtz Gallery in San Francisco.

Besides a dozen huge color portraits by Salinger, a professor at Syracuse University, the show here includes 18 smaller color photographs on the same theme by Denise Marcotte of Cambridge, Massachusetts.

In personalizing their spaces, teenagers in the photos have plastered their walls in a changing display of pop cultural images. Fred's room is a montage of faces from magazine covers — models, singers and sports heroes — with snapshots of Fred popping up, Zelig-like, every so often.

Aime, a bit of a Valley Girl, has hung an enormous "SHOP" sign on one wall, along with a photo of a Seventh Avenue street sign and Cosmopolitan magazine headlines.

Donna's room is almost a live-in beauty shop with cosmetics labels pasted to the shiny aqua walls and 30 shades of nail polish lined up on dresser tops.

In David's room, a blowup of Superman covers the ceiling as David, who shaved his head for the photo, sits cross-legged on the bed eating a box of Fannie Farmer chocolates.

While the teenagers' walls proclaim allegiance to rock groups and ecological causes, their hearts hold secrets. Diaries must be hidden from parents, and treasures kept out of the bands of brothers and sisters.

In one evocative image by Marcotte, a sullen-looking boy stands with his back to the window. A padlock dangles from a bear barrel, which has been split and fitted with shelves for his music tapes. The cabinet below bears an even heavier lock. Nobody messes with his stuff.

**T**HE subjects in the show come mostly from lower-income and middle-income families. While some of the guys have not given up slumber parties and stuffed animals, three of them are cuddling their own babies.

"Some kids were streetwise and hooked into stuff that wasn't healthy," said Salinger, adding that one youth, a drug dealer, flashed a gun for the camera.

In a common pattern, several teens have moved out of their original bedrooms and into the attic or the basement. In this way, they assert their independence.

They have the illusion of being in their own apartments while still under their parents' roofs.

## Huge U.S. Show in Turin

By Dennis Redmont  
Associated Press

**T**URIN — One of the largest exhibitions of 20th-century U.S. art ever assembled in Europe opened Friday inside a former automobile factory.

"American Art 1930-1970" consists of more than 200 works from major U.S. museums and private collections on both sides of the Atlantic, ranging from a life-like roast beef and fruit pie fashioned in the Pop Art era to Georgia O'Keeffe's 1931 painting "Cow's Skull: Red, White and Blue."

The five-story building will also host "American Utopia" — film, theater and music performances until next spring, while rock and rap stars sing in other local arenas. Martha Graham's last ballet, "Maple Leaf Rag," choreographed a

few months before her death last April, was scheduled by her dance company this weekend at the Teatro Regio.

Giovanni Agnelli, chairman of the Turin-based Fiat auto company, which sponsored the exhibit, and the U.S. ambassador, Peter F. Secchia, inaugurated the huge, left-like space broken up by white opaque walls and a maze of pillars designed by the architect Renzo Piano.

Works in the exhibition date from the Depression of the 1930s. The exhibit follows painting and sculpture through Social Realism, the Precisionists, and the Abstract Expressionists, known as the New York school. The most recent works come from the Minimalist and Conceptualist schools.

The Metropolitan Museum of New York is the major contributor, with 19 works, followed by the Museum of Modern Art and the Whitney Museum of American Art. The exhibit closes March 31.

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ECONOMIC SCENE

Coordination Isn't Always Best for World Economy

By Lawrence Malkin International Herald Tribune

NEW YORK — Twice in the postwar period, divergent economic tracks for the United States and Germany have led to a world financial train wreck.

Divergent policies give Germany and the U.S. room to cope with their very different problems.

The president sent the Treasury's chief international official, David C. Mulford, to visit his Group of Seven colleagues in Europe seeking support for stimulus with little success.

The president sent the Treasury's chief international official, David C. Mulford, to visit his Group of Seven colleagues in Europe seeking support for stimulus with little success.

C. Michael Aho, director of economic studies for the Council on Foreign Relations, said, "The main blocs are going their own ways. They have different decision-making systems with different objectives, and the Europeans in particular are in the process of developing their own. Right now, we don't know who to call if we want to coordinate with Europe."

THE LAST TIME the United States and Germany abandoned any sense of coordination was in the autumn of 1987. That led to the Wall Street stock market collapse that echoed around the world.

This time a divergence seems just the ticket. Different policies on interest rates give the Big Three scope to cope with their own problems, because monetary policy affords room for maneuver that two of them lack in fiscal policy.

"The result of this is a lower dollar, which suits everybody," said J. Paul Horne, international economist at Smith Barney, Harris Upham in Paris.

Between the U.S. and German central banks, if not necessarily their governments, there seems to be an understanding that each will do its own thing for the present, a point stressed privately at the Fed when it cut rates last December.

See DIVERGE, Page 11

Bundesbank Holds the Line on Rates

By Richard E. Smith International Herald Tribune

FRANKFURT — The Bundesbank, rejecting a call by the United States and Japan at their Tokyo summit meeting for action to stimulate economic growth, stood its ground on Friday and said it would not lower interest rates any time soon.

Vice President Hans Tietmeyer said in a speech that German rates "have to remain relatively high for the foreseeable future."

His comments, to the Berlin Chamber of Commerce and Industry, came amid a rising chorus of calls by Germany's other principal trading partners in the Group of Seven industrial nations for Germany to lower its rates.

Germany's EC partners are dealing with sluggish economies, but because their currencies are linked to a stronger Deutsche mark they are unable to boost growth by lowering rates unless Germany leads the way.

Hurd Bars Devaluation As Pound Slips Further

Compiled by Our Staff From Dispatches

LONDON — Foreign Secretary Douglas Hurd rejected on Friday any idea of a devaluation of the pound sterling, as the currency dipped below its effective floor in the exchange-rate mechanism of the European Monetary System.

"Devaluation, both overtly and by stealth, stored up trouble for the future," Mr. Hurd said in remarks prepared for delivery to the House of Commons. "It encouraged complacency and imported inflation."

"Even one devaluation would put at risk the hard-won confidence which we have built in the markets," he said. The pound fell to \$1.8015.

The German central bank raised both the Lombard and discount rates by an unexpected high margin of one-half point to respective levels of 9.75 percent and 8 percent on Dec. 19.

Mr. Tietmeyer said that the decision had been "necessary to limit monetary growth and

also to send a signal" to the unions to cut wage demands and to the government to cut back spending.

The Bundesbank has long been pressuring both the unions and the government since high wage increases and heavy public spending are especially inflationary when the country is already wrestling with the costs of reunification.

He warned further that the central bank's monetary policy could be "more overburdened than it already is" if unions and the government fail to heed the bank's warnings in coming years, implying that it may have no choice but to keep rate levels high for some time.

Many German economists have hoped that the Bundesbank might begin to ease rates in the last half of this year if inflation peaks in the next several months. German government and industry officials worry that Germany is also on the edge of recession and is being seriously weakened by the Bundesbank's rate policy.

Finance Minister Theo Waigel on Thursday indirectly criticized the rate increase. The chairman of Germany's Council of Economic Advisors has said he doubts the half percentage point rise in the two key rates was necessary.

Mr. Tietmeyer did not refer directly to the calls by Mr. Bush and Mr. Miyazawa for greater growth but said that "most of our European neighbors" had shown understanding for the recent German rate rise "even if their own rate increases were not easy."

Braving Trade Gales, GATT Slogs On

By Tom Redburn International Herald Tribune

PARIS — Rising discord among the three major economic powers still threatens to undermine multinational trade talks in Geneva despite an agreement announced Friday to keep negotiating for another few months, analysts say.

Arthur Dunkel, head of the General Agreement on Tariffs and Trade, said at a news conference he wanted to conclude the five-year Uruguay Round by mid-April. Trade negotiators are to meet Monday to endorse the plan to continue negotiations on the basis of a draft treaty presented last month by Mr. Dunkel.

But the latest in a long line of agreements to keep the Uruguay Round going leaves unresolved many of the fundamental differences that divide Europe, Japan and the United States.

"What is happening in GATT shows just how stretched the global political-economic fabric is becoming," said Jeffrey Garten, a former White House adviser under Presidents Nixon and Ford who is now an investment banker at Blackstone Group in New York.

Mr. Garten, author of a forthcoming book, "A Cold Peace: America, Japan, Germany

and the Struggle for Supremacy," argues that the troubles that plague the trade talks are just the beginning of a round of bitter disputes in which politicians in the major countries will seek to blame their economic problems at home on other nations. Other examples include President George Bush's trip to Asia, in which the White House sought to pin much of the onus for the U.S. recession on Japan.

In an atmosphere of lagging global growth, international economic policy is already being transformed, Mr. Garten says, from its traditional focus on overall trade and currency adjustments to far more detailed finger-pointing about specific tax and regulatory policies that were once considered exclusively domestic concerns. The postwar liberal trade framework established under GATT may not survive the shift.

"As domestic and international interests collide, it is a recipe for a tremendous amount of political friction in the United States, Japan and Europe," he said.

In Geneva, Mr. Dunkel acknowledged that the fate of the trade negotiations remained uncertain. "It is a very delicate exercise," he said. But he stressed an upbeat message, saying that most nations had agreed to follow the outlines of his 450-page draft agreement.

See GATT, Page 11

Russia Seeks Delay in Paying Interest on Debt

Reuters

MOSCOW — Russia will seek more time to pay interest on its foreign debt because other Commonwealth states are failing to come up with their share of the cash, the chairman of the Russian Central Bank said Friday.

The official, Georgy Matyukhin, said Russia would ask for understanding at a meeting in Frankfurt Tuesday with a committee of Western banks. "We are asking foreign banks to wait a little bit until we solve our internal problems," he said in an interview.

But he said no formal request for a deferral of interest payments would be lodged. "We need some breathing space to raise some funds," he said. "We started the New Year with a zero level of foreign exchange."

Western governments and banks have agreed to a deferral of repayments on debt principal to allow former Soviet republics in the Commonwealth of Independent States extra time to implement economic reforms.

But these agreements specified that the former republics should continue paying interest. It was not immediately clear what effect, if any, there would be on the principal agreements if interest were not kept up to date.

Mr. Matyukhin criticized other republics for failing to contribute to servicing the \$60 to \$70 billion in

foreign debt inherited after last year's breakup of the Soviet Union. "We are trying to persuade our republics to participate in those payments," he said.

He appealed for understanding from creditors. "If they do not understand, then we have no other way than to declare our Vneshekonombank bankrupt," he said.

Vneshekonombank, the former Soviet Bank for Foreign Economic Affairs, has responsibility for foreign debt servicing.

Mr. Matyukhin said there had already been delays in repaying debt interest but he gave no details. "We shall do our best but not everything depends on us, because, as we agreed, Russia must cover only 61 percent of foreign debt," he said in reference to an accord reached last month by most republics on sharing Soviet debt and assets. "The other 39 percent must be covered by the republics, but unfortunately they do not seem so willing to do that," he said.

"No Surprise"

Erik Ipsen of the International Herald Tribune reported from London.

The news that Russian authorities are bereft of hard currency came as no huge surprise. "The acuteness of the situation has developed rather more rapidly than

See DEBT, Page 11

Russia to Curb Ruble Rate

Compiled by Our Staff From Dispatches

MOSCOW — Russia plans to introduce an exchange rate for the ruble against the dollar that will be less advantageous for foreign investors than other, more market-oriented rates, the head of the republic's central bank said Friday.

With the current exchange rate, "we have proposals from investment companies willing to buy our economy for nothing," Georgy Matyukhin said. "In order not to allow this kind of investment we will introduce a special rate of 8 or 10 rubles per dollar."

The rate, aimed at foreign investors, compares with the central bank's market-oriented tourist rate of 110 rubles per dollar and with the commercial rate of 55 rubles per dollar.

Describing the market rate of the ruble to the dollar as artificial, he said the ruble might rise against the dollar if Russia managed to curb monetary growth. Present market exchange rates were not stimulating production and they were preventing imports, he said.

(Reuters, AP)

Tokyo Stocks Get Wilder, Woolier

By Steven Brill International Herald Tribune

TOKYO — Another week of wild stock price gyrations has reinforced the view that the Tokyo stock market is trapped in a vicious circle that will keep it volatile and dodgy place to invest for weeks, if not months to come.

Friday's plunge of 731.74 points, or 3.17 percent, in the key 225-share stock Nikkei average marked the third session this week in which the average moved by more than 3 percent. It fell by 3.6 percent on Wednesday after rising by the same

percentage on Monday. For the week, the Nikkei lost 602 points to close Friday at 22,381.90.

Increasingly, brokers say, the wild price movements are scaring investors away and, in the process, making trading thinner and even more volatile. "It runs the risk of becoming even more of a crap shoot," said Paul Migliorini, a broker at Jardine Fleming Securities.

Share price movements on the Tokyo stock market have long been volatile, making Kabucho, as the exchange's neighborhood in Tokyo is known, feel at times like Monte Carlo. With lax regulation and limited requirements for corporate reporting, rumors and outright manipulation can whip up Tokyo's index in ways seldom seen on Wall Street, a more rational beast.

But volatility in Tokyo has grown to new heights recently as foreign and individual Japanese investors have withdrawn from the market, making volume sparse and giving arbitrageurs unprecedented influence. Arbitrageurs, traders who seek to exploit short-lived price gaps between futures contracts and the underlying cash market, have recently accounted for about 15 percent of all buying of the cash market, much

of it focused on thinly traded shares comprising the Nikkei average, according to Craig Chudler, a strategist at UBS/Phillips & Drew. "This is an enormous amount," he said.

With prices bobbing about, most investors are keeping their distance. "It's become virtually impossible to make true investments, so people are forced to chase speculative shares or play the futures," Mr. Migliorini said.

The gyrations have become so wild, in fact, that some brokers fear the market may be spinning out of control, beyond the ability of authorities or institutions to manage.

For instance last month, during another particularly volatile spell, the government sought to restrain arbitrageurs by tightening collateral requirements. But the effort backfired by scaring away more investors. Rumors of further tightening swept through the market on Friday afternoon.

Not surprisingly, factors that a week ago were seen as supporting the market — such as falling interest rates and the rising yen — have been quickly dismissed in the speculative fury. The Nikkei average eoded the week slightly below its closing level on Dec. 27, just before the market rallied due to the Bank of Japan's surprise half-point cut in the discount rate to 4.5 percent.

"The lesson seems to be that this market just isn't interested in lower interest rates," George Nimmo of SBCI Securities told Reuters.

Brokers say trade is likely to remain volatile with the index boxed between 21,100 and 24,200 points for several weeks, possibly as long as several months. Few expect the index to slip below 20,000 or suffer a meltdown.

But stability, let alone a sustained rally, will come only after domestic institutions that face redemptions from shareholders further extricate themselves from equity positions to pay off the shareholders, brokers say. They must do this before the end of the fiscal year on March 31.

Maxwells Due to Testify

Reuters

LONDON — Ian Maxwell, son of late Robert Maxwell, has agreed to join his brother Kevin at a British parliamentary inquiry into their father's collapsed media empire, political sources said Friday.

The brothers agreed to comply with a rarely used parliamentary order to appear before a social security committee on Monday to explain any role they had in diverting hundreds of millions of pounds from Maxwell-controlled pension funds, the sources said.

Meanwhile, British-based Macdonald & Co. Publishing was put under the control of a court-appointed administrator as part of the break-up of Maxwell Communication Corp.

Under the order, Macdonald gains protection from its creditors, allowing time to search for a buyer. The group, which has 283 employees, includes Futura and Sphere books.

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other rates. Includes Cross Rates and Other Dollar Values.

Table with columns for Currency, Bid, Ask, and other rates. Includes Forward Rates.

Table with columns for Currency, Bid, Ask, and other rates. Includes Key Money Rates.

INTEREST RATES

Table with columns for Eurocurrency Deposits, 1 month, 3 months, 6 months, 1 year.

Table with columns for Key Money Rates, 1 month, 3 months, 6 months, 1 year.

Table with columns for Asian Dollar Deposits, 1 month, 3 months, 6 months, 1 year.

Table with columns for U.S. Money Market Funds, 1 month, 3 months, 6 months, 1 year.

Table with columns for GOLD, 1 month, 3 months, 6 months, 1 year.

1992 The World's Rendezvous with Europe. Advertisement for a series of seminars with sponsors like ABB, AEROSPATIALE, ALCATEL, ALLIANZ, DIGITAL, EUROPAGES, FRANCE TELECOM INTERNATIONAL, GOLDSTAR, NOKIA, RHONE-POULENC, SABENA, TOSHIBA, WESTDEUTSCHE LANDESBANK, WORLD TRADE CENTER.

MARKET DIARY Rally Stumbles As Dow Loses 10

NEW YORK — Stock prices fell Friday as investors and traders used a rise in uniform payroll jobs in December as an excuse to take profits after a long rally.

The market needed a reason to correct and it got it, said Hugh Barthel, chief market strategist at Farnestock & Co. "Today's employment number put in question any more rate cuts."

The Dow finished down 10.07 points at 3,199.46. It lost about two points for the week. Losing stocks outnumbered gainers 5 to 3. Volume slowed to about 238 million shares on the New York Stock Exchange from Thursday's 291 million.

In December, nonfarm payrolls rose by 31,000 compared with forecasts of a 70,000 decline. The unemployment rate rose to 7.1 percent.

Traders and investors have been looking for an excuse to sell stocks or back away," said Hugh Johnson, chief investment officer at First Albany Corp. "That excuse came today in the rise in nonfarm payrolls and the fall in bonds."

Still, stocks were pushed briefly into positive ground by mid-afternoon comments from the Federal Reserve chairman, Alan Greenspan, that the central bank would take whatever steps necessary to ensure economic growth.

Shares of Sun Microsystems added 2 to 30¢. Analysts at Kidder Peabody and Dean Witter raised their estimates. Prudential Securities upgraded U.S. semiconductor makers to buy from hold.

Intel rival Advanced Micro Devices climbed 1/4 to 19 1/4. Goldman Sachs reaffirmed a buy rating and raised first-quarter and 1992 earnings estimates.

With widespread losses in key industries, almost all were lost by workers with virtually no hope of being recalled, he said. Transportation jobs fell in December as two airlines closed down, and aircraft and auto sales fell. Auto workers total 100,000 below their pre-recession peak.

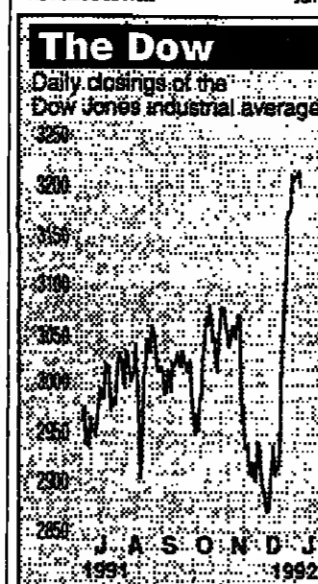


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Actives.

Table with columns: Vol., High, Low, Last, Chg. for AMEX Most Actives.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary.

Table with columns: Vol., High, Low, Last, Chg. for Amex Diary.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Diary.

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages.

Table with columns: High, Low, Close, Change for Standard & Poor's Indexes.

Table with columns: High, Low, Close, Change for NYSE Indexes.

Table with columns: High, Low, Close, Change for NASDAQ Indexes.

Table with columns: High, Low, Close, Change for AMEX Stock Index.

Table with columns: Close, Change for Dow Jones Bond Average.

Table with columns: High, Low, Close, Change for Market Sales.

Table with columns: High, Low, Close, Change for S&P 100 Index Options.

Table with columns: Class, High, Low, Prev. Close for EUROPEAN FUTURES.

Table with columns: High, Low, Last, Settle, Change for Food.

Table with columns: High, Low, Last, Settle, Change for Industrials.

Table with columns: High, Low, Close, Change for Metals.

Table with columns: High, Low, Close, Change for Financial.

Table with columns: High, Low, Close, Change for 3-MONTH STERLING (LIFFE).

Table with columns: High, Low, Close, Change for 3-MONTH EURO DOLLARS (LIFFE).

Table with columns: High, Low, Close, Change for 3-MONTH EURO DOLLARS (LIFFE).

Table with columns: High, Low, Close, Change for LONG GILT (LIFFE).

Table with columns: High, Low, Close, Change for U.S. FUTURES.

Table with columns: Season, Season Low, Open, High, Low, Close, Chg. for Grains.

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Ferruzzi to Pay Fine in Soy Dispute CHICAGO (Reuters) — Ferruzzi Finanziaria SpA agreed to pay a \$2 million fine and resign its Chicago Board of Trade membership to settle a dispute stemming from July 1989 when it was ordered by the CBOT to liquidate its huge soybean positions.

Swiss Panel to Question F-18 Deal BERN (UPI) — A parliamentary committee Friday scheduled hearings on Switzerland's planned \$2.5 billion purchase of U.S. F-18 fighter jets after its chairman questioned whether the deal was necessary.

Borden to Cut 1,300 Jobs Worldwide NEW YORK (Reuters) — Borden Inc. said Friday it would cut 1,300 salaried jobs worldwide, citing brick competition in the food business.

U.S. Approves Federated Allied Plan CINCINNATI (Reuters) — U.S. Bankruptcy Judge J. Vincent Aug said he would confirm Campeau Corp.'s Federated Department Stores Inc. and Allied Stores Corp. Chapter 11 bankruptcy reorganization plan.

Carter Hawley Says Losses Widen LOS ANGELES (UPI) — Carter Hawley Hale Stores Inc., which has been operating under Chapter 11 bankruptcy protection for nearly a year, reported Friday a \$10.5 million loss for the four weeks ended Nov. 30, 1991.

N.Y. Times Revamps Business Unit NEW YORK (NYT) — A reorganization of business operations at the New York Times was announced Thursday by Lance R. Primis, president and general manager of the newspaper.

American Express Publication Folds NEW YORK (Reuters) — New York Woman magazine suspended operations Friday, its owner, American Express Publishing Corp., said.

Parretti Is Released From Custody The Associated Press. SIRACUSA, Sicily — A court on Friday lifted a custody order that had kept Giancarlo Parretti in jail since Dec. 27 on charges of tax fraud, the financier's lawyer said.

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Table with columns: Close Prev. for Tokyo.

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Table with columns: Close Prev. for Paris.

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# Black Sea, Baltic Oil Exports Slow

**LONDON** — Crude oil exports from the former Soviet Union's Black Sea and Baltic ports have ground to a halt due to administrative chaos over export licenses from the Russian Republic government, European oil traders said Friday.

Bad weather hit loadings over Christmas and the New Year, but now internal wrangling appears to be holding up exports.

"There has certainly been a problem with bad weather," said one Italian buyer. "But when the weather settled they didn't load because of export license problems. When the license problems were cleared up, they said there were customs problems."

The trader has had a tanker berthed at the Russian Black Sea port of Novorossiysk since mid-December and has another tanker waiting in a line of up to five ships waiting to load.

Another trader said crude exports from the Ukrainian port of Odessa had stopped, probably due to

political tension with Russia, the ex-Soviet Union's main oil producer.

In the Baltic, where ice usually depresses exports at this time of year, just one cargo is said to be loading over the next few days at the Latvian port of Ventspils. Maritime exports have been in chaos ever since the Russian Federation suspended all export licenses in November.

"The main problem is to do with ownership of the oil — new export licenses have not yet been granted," a trader said.

The former Soviet Union's main export agency, Nafta Moscow, is unable to deliver crude and so are all the other organizations that have sprung up recently trying to export oil.

Although oil production in the former Soviet Union has slumped to below 10 million barrels per day, according to International Energy Agency estimates, there should still be enough oil for export, a trader with a major oil firm said.

# Chairman Of Ratners Steps Down

Compiled by Our Staff From Dispatches

**LONDON** — Gerald Ratner is stepping down as chairman of beleaguered British jewelry chain Ratners PLC but will stay as chief executive, the company said Friday.

James McAdam, a retired deputy chairman of the textile company Coats Viyella PLC, will replace him as chairman.

Sales in the key Christmas period were down 15 percent from a year ago, Ratner's said.

The company said it would probably break even on a trading basis for the year to Feb. 1, but post a loss due to a net interest charge of about £27 million (\$49.4 million) and exceptional charges that are expected to be around £45 million — mainly from restructuring costs and provisions and bad debt provisions in the United States.

Payment of a final dividend is unlikely, the company said. Ratners shares fell 2 pence to 21 pence in London Friday. (Reuters, UPI)

# Sweden Sees Big Deficit Despite Spending Cuts

Compiled by Our Staff From Dispatches

**STOCKHOLM** — Sweden's new center-right government on Friday announced sharp cuts in public spending over the next fiscal year but said the budget would be deep in deficit anyway because of the recession.

Finance Minister Anne Wibble said the recession and mistakes she attributed to the former socialist government meant 1992 would be a tough year. "But if we don't swallow the nasty medicine now, the illness will drag on," she said, announcing to parliament the budget for the year starting July 1.

The budget proposed cutting spending by 12.5 billion kronor (\$2.2 billion) from existing commitments. Nevertheless, Sweden is forecast to show a 70.8 billion kronor budget deficit due to dramatically lower income of 418.7 billion kronor. Tax revenue is down because of the economic slump, and Mrs. Wibble said that as a result the government could not cut taxes as quickly as it wished. (Reuters, AP)

The cuts hit spending on defense, sick pay insurance, housing subsidies, newspaper subsidies and refugee centers.

One of the most controversial proposals is a complete cutoff in pay for the first two days of sick leave. The plan would take Sweden from being the most generous in Western Europe for sick pay benefits to one of the worst.

Social welfare programs for Sweden's 8.6 million people, at 135.5 billion kronor, are still the largest single spending item.

Earlier cuts in Sweden's large public sector have already begun to hit some health services and contributed to the country's rising unemployment rate.

A four-party coalition headed by the conservative Carl Bildt defeated Sweden's long-ruling Social Democrats in a general election last year, pledging to reduce government involvement in the economy.

# EC Defends Its U.S. Antitrust Pact

By Charles Goldsmith

International Herald Tribune

**BRUSSELS** — The EC Commission, insisting that it enjoys broad powers to implement competition rules, on Friday strongly rejected France's challenge of an antitrust pact with the United States.

France, in a complaint to the European Court of Justice, said the agreement should have first been approved by European Communi-

ty member states sitting as the Council of Ministers.

The accord, signed September in Washington by the EC competition commissioner, Sir Leon Brittan, and Attorney General William Barr, calls for information in competition cases to be shared in order to facilitate investigations and prevent a duplication of efforts.

The court challenge by France marks the latest in a series of

French objections to the Commission's power over matters of competition, which culminated in the fierce condemnation of October's decision to block the takeover of the de Havilland aircraft firm by Aerospatiale of France and Alenia SpA of Italy.

According to the Commission, the antitrust pact is merely an "administrative agreement" to formalize contacts with the United States.

# DIVERGE: Sometimes, Nations Find, It Pays to Do Your Own Thing

(Continued from first finance page)

growth or restrain worldwide are dangerous.

The first and second oil shocks sent the entire economy of the industrial world on a roller coaster ride to recession and inflation in the 1970s.

"We always said it was easier to run the world when its economies were desynchronized in the 1960s, than later on, when everyone was subject to the excesses of expansion or recession at the same time," said Stephen Marris, former economic advisor to the Organization for Economic Co-operation and Development.

In the 1970s, "There was no room for error. If one country made a mistake on the upside, then everyone could get in trouble."

During the past two years coordination has meant something different from marching in lockstep. The Anglo-Saxon nations have been going through a recession to bring out the asset-price inflation of the 1980s in everything from fine art to beachfront homes, while Japan and Germany supplied the locomotive power for growth.

This arrangement was supposed to reverse itself last year when Japan and Germany put on the brakes; a slow recovery in the United States was supposed to start taking up the slack worldwide. Unfortunately, the recovery faltered and the American locomotive failed to arrive at the station on time, demanding patience from all, but especially in Europe.

"So what," said Paul Krugman, professor of international economics at Massachusetts Institute of Technology. "Macroeconomics is not like a minefield, where if you step in the wrong place it always blows up in your face."

And a mistake, he said, can often easily be fixed. "The French have had a completely gratuitous recession imposed on them by Germany's fight against inflation. There is a textbook answer to their problem, which is to devalue against the mark."

With election seasons in both France and Britain, their leaders are no less concerned about "jobs, jobs, jobs" than Mr. Bush is in a U.S. election year. However, the simple solutions proposed by economists do not necessarily address

the complex political problems both countries face.

By hitching the franc closely to the mark through the European Monetary System for the past four years, France's Socialist government has virtually slain inflation and diverted its traditional supporters by blaming its hard-nosed wage policies on the Bundesbank. Now the French are hit by a double whammy: higher rates prompted by Frankfurt are more than the French economy can stand while a lower dollar backs away at French exports.

Devaluation would mean a damaging public abandonment of policy, but critics in the United States have little sympathy with the Socialist government for hanging on to its policies for too long. "The Americans are not going to fight France's battles for them," said Robert Lawrence, professor of international economics at the J.F. Kennedy School of Government at Harvard.

Britain's prime minister, John Major, was put into an even tighter political box by the Germans. If the current pressure continues on the pound, he may be forced to raise

interest rates or devalue the currency. If he raises interest rates before facing the voters this year he risks the ire of millions of mortgage holders. If he devalues, he will be seen as politically weak. If he drops out of the European exchange rate mechanism he will be seen as turning his back on Europe, one of the principal policies that differentiates him from his predecessor, Margaret Thatcher, who was dumped by the Tories in favor of Mr. Major.

There is both an optimistic and pessimistic view of what happens next in Europe.

C. Fred Bergsten, director of the Institute for International Economics in Washington, argued that there was no reason for the other members of the EMS to hang on to their parities against the mark like a set of totems, when a perfectly good way exists of changing them: "Present a realignment as a sharp shot change in response to a fundamental, once-only development, which was of course the integration of East Germany. Then announce it will be the last one before monetary integration and let everyone get back to work."

# GATT: The Trade Talks Slog On

(Continued from first finance page)

compensate the farmers for cuts in agricultural subsidies based on output.

Washington remains worried that the Dunkel proposal does not yet contain agreement on a plan to cut tariffs, open trade in services and widen government procurement to other nations.

No matter what the final outcome, Japan is likely to emerge as a long-term loser, analysts said. Even though Japan has the most to gain from maintaining an open, rule-based international trading system.

Tokyo has failed to take the lead on any issue in the negotiations.

Washington is particularly upset that the Japanese have postponed any decision on opening its market to rice imports until after the U.S. and Europe reach an understanding on farm subsidies.

Prime Minister Kiichi Miyazawa, while agreeing with Mr. Bush in a communiqué Thursday on a general statement in support of the GATT negotiations, made no concessions to accept high tariffs in place of a strict ban on rice imports.

# DEBT: Russia Needs More Time

(Continued from first finance page)

anticipated, but it doesn't surprise anyone immensely," said Bill Newman, chief economist for Moscow Narodny Bank in London.

As a result of last year's fall in imports, there was probably a significant hard-currency surplus in the republics of the former Soviet Union. The problem, Mr. Newman said, was that those earning the hard currencies were not passing it on to state banks for conversion. Part of these earnings, he said, "are being kept either in commercial banks or offshore banks — probably illegally."

Sanjit Talakdar, a Russia specialist with CSFB Economics in London, cited reports that \$15 billion worth of hard currency had been spirited out of the Soviet Union last year. "The \$15 billion was being used to grease black market transactions inside."

He and others believe that sooner or later the West will have to accept reality and agree on massive debt reschedulings. "The bottom line is that quite a lot of aid will eventually have to be given and a lot of it in the early stages will probably have to come in the form of debt deferral," Mr. Talakdar said.

# Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	116.20	115.60	+0.52
Brussels	Stock Index	5,537.81	5,514.30	+0.43
Frankfurt	DAX	1,615.71	1,589.76	+1.63
Frankfurt	FAZ	652.51	645.32	+1.11
Helsinki	HEX	828.00	811.50	+2.03
London	Financial Times 30	1,876.40	1,904.40	-1.47
London	FTSE 100	2,477.90	2,497.90	-0.80
Madrid	General Index	253.09	253.21	-0.05
Milan	MBI	1,047.00	1,035.00	+1.16
Paris	CAC 40	1,837.44	1,833.96	+0.20
Stockholm	Affarsvarlden	909.58	901.15	+0.94
Vienna	Stock Index	429.13	423.77	+1.26
Zurich	SBS	615.80	612.20	+0.59

Sources: Reuters, AFP  
Reprinted from Herald Tribune

# Very briefly:

- Mercedes-Benz AG reached its second agreement in a week to make trucks in Czechoslovakia, signing a memorandum of understanding with two Czech companies, LIAZ and Avia, in a triangular deal giving the German company an initial stake of 31 percent in LIAZ.
- Siemens AG, which controls 95 percent of Siemens Nixdorf Informationssysteme AG, will offer SNI's remaining shareholders one Siemens share for each six SNI shares or 156.50 Deutsche marks (\$100) a share.
- Corporacion CNL SA, controlled by the Spanish representative of the Kuwait Investment Office, plans to pay 3 billion pesetas (\$30.2 million) for up to 10 percent of Banco de Ibizta, owned by Abel Matutes, a European Community commissioner.
- The Halifax Building Society's index shows that British house prices dropped 3.5 percent in 1991 from the previous year, following a rise of 0.5 percent in 1990 and a 2.8 percent increase in 1989.
- Danish new car sales, braked by duty and tax of 200 percent on imports to a country without a car industry, rose 4 percent in 1991 to 3,816.
- Grand Metropolitan PLC's proposed purchase of the 75 percent it does not already own in Cinzano International SA is under preliminary investigation by the EC Commission under its competition powers.
- Britain's steel output fell 7.6 percent to 16.48 million tons in 1991. (Reuters, Bloomberg, AFP, AP)

# Prague Sets Partial Sale of 3 Banks

Agence France-Press

**PRAGUE** — Czechoslovakia has approved the partial privatization of three banks, including one operation involving foreign capital.

The government approved plans Thursday for the two biggest banks, Komerční banka and Všeobecná uverova banka of Slovakia, a statement said. The state will retain 44 percent of Komerční and 45 percent of the other bank. Most of the equity will be sold through the use of privatization coupons and by the distribution of shares at symbolic prices to Czechoslovakians, and 3 percent will be attributed to a fund to compensate people whose property was confiscated by the Communists after 1945.

Berliner Handels- & Frankfurter Bank of Germany is to acquire 40 percent of the third bank, Zivnostenska banka, for 731 million koruny (\$24 million). A further 12 percent will go to International Finance Corp., a World Bank affiliate. Czechoslovakia will retain the rest.

# NASDAQ

Friday's Prices  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the NYSE consists of 1,000 most traded securities in terms of dollar value. It is updated twice a year.

17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

# Apple Targets Consumer Electronics

**Compiled by Our Staff From Dispatches**  
**LAS VEGAS, Nevada** — In a move that could eventually lead the reentry of U.S. companies into markets now dominated by the Japanese, Apple Computer Inc. has announced that it will soon produce a variety of consumer electronics products.

At the annual Consumer Electronics Show here, Chairman John Sculley on Thursday sketched out plans for a new class of consumer products — dubbed Personal Digital Assistants — that Apple will begin to introduce in 1993. Although the details were deliberately kept vague, the devices will be portable, easy-to-use, special-purpose computers that have advanced communications capabilities and the ability to display and manipulate text, sound and images.

Mr. Sculley also said that his company would introduce several new versions of the Macintosh computer this year that will be designed specifically for the consumer market and sold through mass-market retail stores. Until now, Apple has sold mainly through computer dealers and a few so-called computer superstores.

The new digital devices will be able to play sounds or display pictures or information and will allow users to exercise computer-like control over what they see and hear, Mr. Sculley said. Apple hopes to position itself early, particularly as a supplier of software to control such devices and to make them easy to use, he said.

Apple thus hopes to take a leadership role in what is widely regarded as a critical development in the electronics business: the merger of

consumer electronics technologies — symbolized by the compact disk player and the hand-held video camera — with rapidly evolving personal computers.

This convergence means that consumers will soon have a host of new types of entertainment, education and personal productivity products to choose from. And it also promises to alter the balance of power in the electronics business.

## Apple hopes to take a leading role in the merger of technologies like compact disk players with personal computers.

putting the U.S.-dominated computer industry on a collision course with the Japanese-dominated consumer electronics industry.

"Personal computers are general purpose devices which require some level of skill to operate. On the other hand, most consumer electronics products have a particular defined usefulness," and they are relatively inexpensive, Mr. Sculley said.

Industry executives and analysts generally praised Apple's ambition, but cautioned that the consumer strategy would be expensive and fraught with peril. "If there's any company

that's positioned to do this, it's Apple," said J. Michael Morand, vice president of marketing at AST Research, the Irvine, California-based computer maker. "But it's going to be a very expensive investment, and they'll face intense competition from the Japanese giants."

Japanese and European companies have come to dominate the business of producing mass-market electronics products, such as television sets, compact disk players, and VCRs. American companies have continued to excel in the computer business but many believe that it will be impossible to maintain this edge without playing a major role in the consumer electronics market.

Apple has pursued alliances with Japanese companies such as Sony, and Mr. Sculley indicated that alliances with Asian companies would be an important part of Apple's consumer strategy.

Apple's recent union with International Business Machines Corp. will support development of some of the new consumer products, although that linkup is primarily focused on the corporate computer market.

Even as Apple pursues ventures with Japanese companies, though, it appears inevitable that it will also be competing head-on with the Japanese in some situations. Already, there are products on the market — such as Sony's Data Discman, a hand-held device that can access reams of information from palm-sized disks — that are conceptually similar to Apple's new product. (L47, N17)

# AMEX

**Friday's Closing**  
 Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Stock	Div	Yld	PE	High	Low	P.M. Chg
IBM	IBM			15.5	115 1/4	115 1/4	+
MSFT	MSFT			18.5	100 1/4	100 1/4	+
ORCL	ORCL			15.5	100 1/4	100 1/4	+
INTL	INTL			15.5	100 1/4	100 1/4	+
DIS	DIS			15.5	100 1/4	100 1/4	+
WAL	WAL			15.5	100 1/4	100 1/4	+
AMZN	AMZN			15.5	100 1/4	100 1/4	+
GOOG	GOOG			15.5	100 1/4	100 1/4	+
YHOO	YHOO			15.5	100 1/4	100 1/4	+
EBAY	EBAY			15.5	100 1/4	100 1/4	+
SHOP	SHOP			15.5	100 1/4	100 1/4	+
AMZN	AMZN			15.5	100 1/4	100 1/4	+
GOOG	GOOG			15.5	100 1/4	100 1/4	+
YHOO	YHOO			15.5	100 1/4	100 1/4	+
EBAY	EBAY			15.5	100 1/4	100 1/4	+
SHOP	SHOP			15.5	100 1/4	100 1/4	+

Symbol	Stock	Div	Yld	PE	High	Low	P.M. Chg
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DIS	DIS			15.5	100 1/4	100 1/4	+
WAL	WAL			15.5	100 1/4	100 1/4	+
AMZN	AMZN			15.5	100 1/4	100 1/4	+
GOOG	GOOG			15.5	100 1/4	100 1/4	+
YHOO	YHOO			15.5	100 1/4	100 1/4	+
EBAY	EBAY			15.5	100 1/4	100 1/4	+
SHOP	SHOP			15.5	100 1/4	100 1/4	+

Symbol	Stock	Div	Yld	PE	High	Low	P.M. Chg
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INTL	INTL			15.5	100 1/4	100 1/4	+
DIS	DIS			15.5	100 1/4	100 1/4	+
WAL	WAL			15.5	100 1/4	100 1/4	+
AMZN	AMZN			15.5	100 1/4	100 1/4	+
GOOG	GOOG			15.5	100 1/4	100 1/4	+
YHOO	YHOO			15.5	100 1/4	100 1/4	+
EBAY	EBAY			15.5	100 1/4	100 1/4	+
SHOP	SHOP			15.5	100 1/4	100 1/4	+

### NYSE

**Friday's Closing**  
 Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Symbol	Stock	Div	Yld	PE	High	Low	P.M. Chg
IBM	IBM			15.5	115 1/4	115 1/4	+
MSFT	MSFT			18.5	100 1/4	100 1/4	+
ORCL	ORCL			15.5	100 1/4	100 1/4	+
INTL	INTL			15.5	100 1/4	100 1/4	+
DIS	DIS			15.5	100 1/4	100 1/4	+
WAL	WAL			15.5	100 1/4	100 1/4	+
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YHOO	YHOO			15.5	100 1/4	100 1/4	+
EBAY	EBAY			15.5	100 1/4	100 1/4	+
SHOP	SHOP			15.5	100 1/4	100 1/4	+

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MSFT	MSFT			18.5	100 1/4	100 1/4	+
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EBAY	EBAY			15.5	100 1/4	100 1/4	+
SHOP	SHOP			15.5	100 1/4	100 1/4	+

كندا من الأصل



THE  
REPORT

**FIRST COLUMN**  
**Tax Rebates To Fill Up The Malls**

**T**HE best insight into the economy isn't always printed in the financial pages. Sometimes, it can be found in an empty parking space, like one spotted in front of a high-toned Southern California shopping mall on Christmas Eve.

Inside the mall were the usual Asian and Middle Eastern visitors, plus the local moneyed gentry, mainly heavily accessorized women. Conspicuously absent were middle-class holiday shoppers.

With the public mood so dark in a consumer-driven economy, it's hard to imagine a turnaround any time soon. And with interest rates rising in Europe and falling in the United States, it becomes less likely that American consumers will buy the rest of the world out of its slump. Lower U.S. rates mean a cheaper dollar and higher prices for foreign goods. That can lead to inflation in the United States and recession abroad.

Rate cuts by the Federal Reserve Board have been the tonic of choice to try to perk up growth. The Fed lowered the discount rate from 6.5 percent to 3.5 percent, with little perceptible impact. The problem is indebtedness so high that banks don't have enough creditworthy clients to lend to. And with inventories stubbornly high, what would businesses do with the money?

A surer cure might be a tax credit that rewards businesses for building up their staffs. Perhaps payroll taxes on new employees could be rebated during their first three years on the job, with a reduction made to adjust for any layoffs. In distressed industries, rebates could be doubled.

The rebates would benefit businesses by cutting labor costs and by putting more money into people's pockets with which to buy the things they make. State and federal treasuries would benefit when the new workers started paying taxes instead of collecting unemployment benefits.

Certainly, no tinkering with the tax code can bank an economy out of recession by itself, but a payroll tax rebate might make it easier to find a job next Christmas and harder to find a parking space at the mall.

C. de A.

**Airline Consolidation May Soak Up Red Ink**

By Philip Crawford

**D**IFFERENT words are being bandied about to describe the recent fortunes of the commercial airline industry, but most of them mean the same thing: "disastrous." Iraq's invasion of Kuwait in August 1990, which resulted in fuel prices doubling, struck a first blow, and the ensuing one-two combination of the Gulf war and international recession have sent traffic levels and profits reeling.

But share prices of UAL Corp. (United Air Lines), AMR Corp. (American Airlines), Delta Air Lines Inc., USAir Group, and British Airways PLC all rose appreciably in December, and some industry analysts, taking a "things can't get much worse" attitude, as well as presuming at least a moderate overall recovery, are bullish on airline stocks.

Of-cited keys to new industry growth include a continued increase in international business travel, a healthy rate of expansion into new East European and Asian markets, and the omnipresent "X" factor of the airline business — affordable fuel.

"The industry has now suffered back-to-back years of extraordinary losses," said Julius Maldutis, who tracks commercial airlines for Salomon Brothers in New York. "Airlines lost over \$5 billion in 1990, and about \$2 billion in 1991. What we're now seeing is further consolidation and emphasis on international routes, as the strong U.S. carriers recognize that they have a mature domestic industry."

Red ink has indeed been flowing freely in airline accounting offices. For the nine-month period ending last Sept. 30, Delta, United, American, and USAir reported net losses of \$51.9 million, \$79.3 million, \$115 million, and \$306.9 million, respectively, with substantial losses per share of common stock. And those, as they say, were the survivors.

Three U.S.-based carriers — Eastern, Midway, and, most dramatically, Pan American World Airways — liquidated completely in 1991, and the walking wounded include Continental Airlines Holdings and America West Airlines, both under Chapter 11 protection, and Trans World Airlines Inc., which analysts say will be there shortly. Of the large Western carriers, only British Airways PLC appears to have turned a profit, reporting pretax earnings of £340 million (\$637.8 million) for the nine months ending Dec. 31.

But as in any jungle, the fittest survive by devouring the expired, and Pan Am's demise has provided future sustenance for other carriers that have acquired its prized global routes. "The supreme irony," said Mr. Maldutis, whose "buy" recommendations include shares of USAir, United, and relatively small Southwest Airlines Co., "is that Pan Am started it all. It was the international airline, and now it's the one which has sold out."

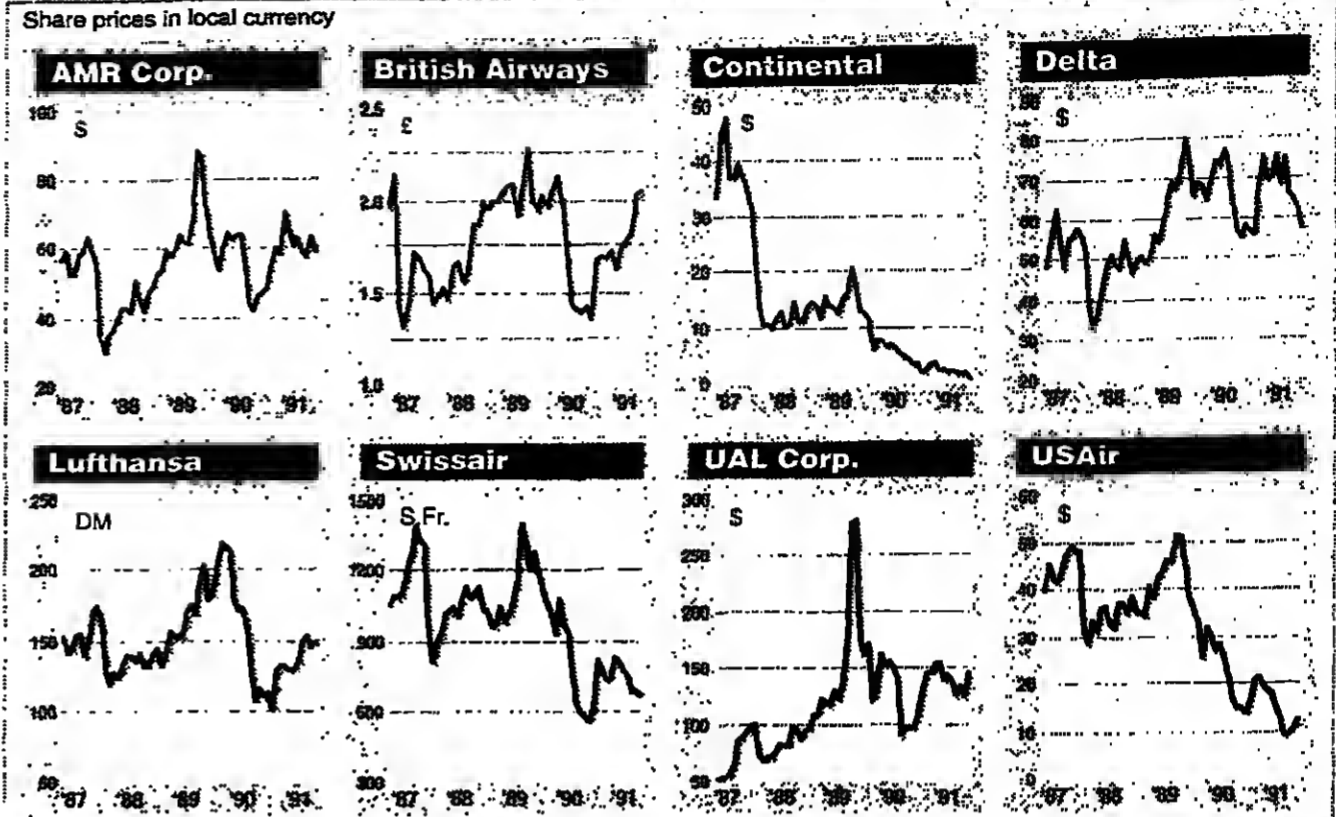
Delta Airlines, at a cost of about \$600 million, purchased the bulk of Pan Am's transatlantic routes, as well as its hub facilities in Frankfurt and New York, a move enabling Delta to service 21 new cities throughout Europe and Scandinavia. Analysts are citing the buyout, as well as Delta's purchase of Pan Am's Northeast corridor shuttle, as good omens for the Atlanta-based carrier's share price and long-term viability.

UAL Corp. also feasted on Pan Am's carcass, acquiring its London Heathrow routes for \$290 million in last March and, in December, shelling out an additional \$135 million for its Latin American routes to countries such as Brazil, Argentina, Uruguay, Chile, and Venezuela. The airline may be a bit cash-poor as a short-term result, but analysts say the expenditure should pay off in the long run.

Further 1991 consolidation was evidenced by stronger carriers picking away at another ailing company: TWA. AMR Corp. took over TWA's Heathrow routes, and USAir, in December, took over two of its London Gatwick routes. USAir also recently reached an agreement to manage the Northeast corridor Trump Shuttle for 10 years, and plans to change the hourly service's name to the USAir Shuttle.

But further expansion into Western Europe is not a final frontier for U.S. airlines struggling to get into the black: New East European and Russian destinations are also on the drawing board, as those ports may become more accessible. "There's no doubt that Western carriers are looking at beefing up operations to Eastern Europe," said Timothy Coombs, an airline analyst with County NatWest Wood Mackenzie in London. "The real question is how fast those markets will grow. They're being targeted for expansion within the next year."

The crumbling of old political borders, however, does not guarantee new market accessibility. When Germany reunified in



Source: Standard & Poor's

International Herald Tribune

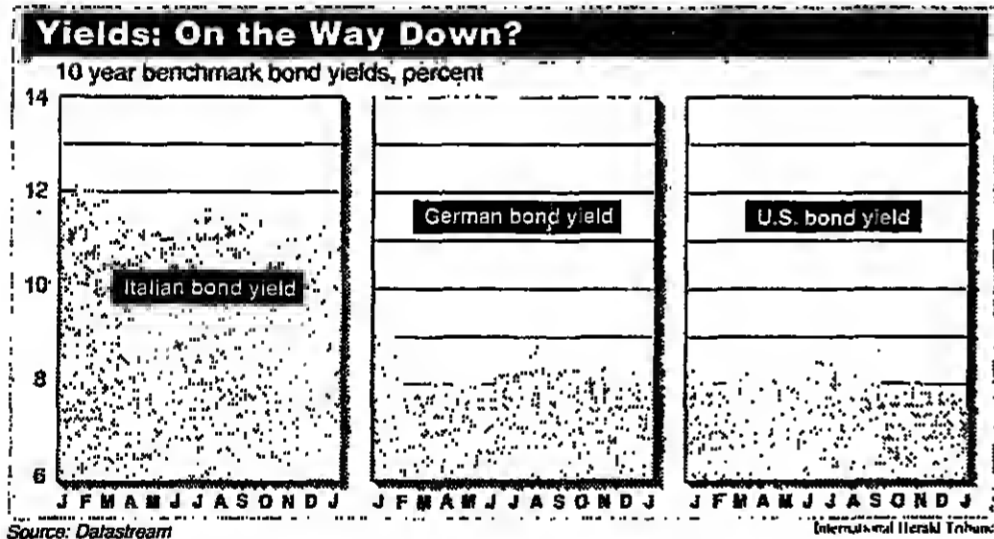
October 1990, Western carriers servicing Berlin such as British Airways actually had to cut back their flights, as the West German carrier Lufthansa AG got the lion's share of new gate priority. "In theory, the unification should have opened new markets, but in reality it did the opposite," said Mr. Coombs.

But British Airways is making at least preliminary inroads into Russia, despite the current political and economic instability there. Talks with Aeroflot officials over a

possible joint venture to be called "Air Russia" are ongoing and may bear initial fruit sometime this year. "If British Airways succeeds in setting up something in Russia, it will obviously be good for the company," said Thomas Longman, an industry analyst with Bear Stearns in London. "I think we might also see Aeroflot break up into a series of regional or new 'national' carriers."

Mr. Maldutis, citing a better oil price outlook, as well as what he called a "profound change" in how U.S. companies do

business, said he felt positive in general about the performance of airline stocks in 1992. "Corporate America is going through a process of globalization," he said, "and while the fax machine and video teleconferencing each have their niche, the fact remains that the businessman who used to fly to Cleveland to buy a new machine or finalize a contract is now flying to Europe, Scandinavia, Asia and the Far East. International traffic is rising at double-digit rates. And there's still plenty of room for growth."



Source: Datastream

**Monetary Union Plan Boosts Italy's Bond Market**

By Richard Evans

**T**RADITIONALLY, the Italian bond market has not been the foreign investor's darling. Worries about the government's shoddy management of the public debt and the bureaucracy involved in buying the bonds and reclaiming the withholding tax levied on them have put off foreign institutional and retail investors.

However, thanks to a year of hectic market reforms and the challenge of readying Italy's economy for European Monetary Union, some analysts reckon that Italy's bond market could be the pick of Europe's bond bazaars in the new year.

Already over the past year there has been an upturn in its performance. In 1991, having a go at the Italian bond market was one of the smartest bets investors could have made. In Europe, only the bond markets of Spain and Portugal performed better.

The overall return on Italian bonds last year, in local currency, was 16.7 percent. In dollar terms it was 11.6 percent. That compares with a return of 9.34 percent, in dollar terms, for French bonds and 11.21 percent for U.K. bonds. Portugal's bond market was the star performer, yielding a total return of 25 percent in dollar terms.

Italy's bond market has done well partly because many investors have been persuaded that as the

European Community's Exchange Rate Mechanism squeezes inflation out of Italy's economy, interest rates and bond yields will fall toward the level of the country with the strongest currency in the ERM — Germany.

However, there have been other factors. Last autumn, futures contracts on long-term Italian bonds — *Buoni del Tesoro Poliennali* — were launched. They are traded on the LIFFE in London and MATIF in Paris.

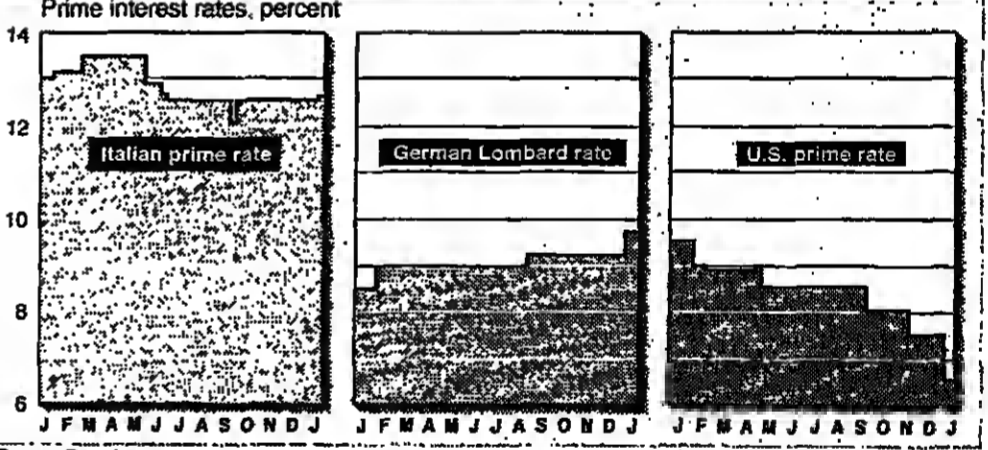
This has encouraged big investors, particularly sophisticated foreign institutional investors, worried about the lack of hedging instruments available in Italy, to buy more of the country's bonds.

Last September, the Italian Treasury announced that the process of reclaiming withholding tax, currently levied at a rate of 12.5 percent on Italian bonds, would be speeded up. In the past it could take more than six months for foreign investors to reclaim their withholding tax payments. Now it takes less than a month.

Also, the lira last year moved into the narrow 2.25 percent band of the ERM, which has given the currency a harder edge, and boosted confidence that Italy will be able to maintain the growth rates of more than 3 percent that it has achieved in recent years.

Most of the changes in the bond market have been aimed specifically at attracting more foreign institutional and retail investors to buy

**Divergent Interest Rates**



Source: Datastream

International Herald Tribune

Italian bonds. This has been a priority for the Italian Treasury since last summer.

The EC set a deadline of July 1, 1990, for the abolition of all restrictions on capital movements by member countries. Since then, Italians, who have private savings estimated at around \$1 trillion, have been able to invest in what they want wherever they want. They have been quick to take advantage of this new freedom.

In 1988, out of a total of \$138 billion of new savings, around 2 percent was invested in foreign securities. Last year, the percentage of new savings invested in foreign markets was thought to be more than 7 percent.

All this is bad news for the Treasury. It has been estimated that over the next few years the Italian government will be left with hundreds of billions of dollars of public debt needing to be placed that will not be able to find its traditional ready home.

The measures taken so far have obviously encouraged foreign investors to buy Italian state debt. Around \$80 billion worth of Italian government bonds was bought by foreign investors last year.

What discourages foreign investors from buying even more is the

still tardy way public debt is managed in Italy. Government borrowing targets are annually exceeded, which puts pressure on the lira, raises the prospect of interest rate rises and depresses the bond market.

However, many economists believe that the need to prepare the country for the monetary union will stiffen the resolve of Italy's politicians to radically cut the country's debt burden, which is nearing \$1 trillion. This should have a double benefit of giving the performance of the bond market and the confidence of foreign investors a big boost.

The terms of the monetary union treaty signed by the 12 EC members at Maastricht in December state that countries wishing to participate in the second stage of EMU in the mid-1990s will be required to reduce their budget deficits to less than 3 percent of gross domestic product and outstanding public sector debt to no more than 60 percent of GDP.

Italy, which has a deficit equal to around 10 percent of GDP and outstanding debt equivalent to 103 percent of GDP — roughly double the EC average — will therefore have to act decisively if it wants to keep up with its peers.

"I think things will start to happen after the general election next year," said Jan Samols, a European bond analyst with UBS Phillips & Drew in London. "Traditionally, there is a mini-budget in May and it is then that any new debt-cutting measures will be taken. Yields will come down. It will be just a question of how quickly."

Eugenio Namor, an economist at the London office of Istituto Bancario San Paolo di Torino, an Italian bank, argues that another boon for the Italian Treasury is that next year Germany should have won its battle against the inflationary effect of reunification. This will lead to lower interest rates in Germany and help ease the pressure on Italian interest rates, which will also benefit the Italian bond market.

"A reduction in German interest rates will be very welcome," Mr. Namor said. "But even more important is the drive towards EMU. Italy always gives a very strong performance when it is constrained by external factors."

"In the 1980s, the discipline of the ERM was very good for Italian industry. And in the 1990s, the move toward EMU should be very beneficial for the economy as a whole and also, as a consequence, for the bond market."

**Anthony Sampson**  
Author, Journalist

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1991 bond yields to Dec. 19

	In local currency	In U.S. dollars
Australia	24.98	24.80
Canada	18.92	19.88
Japan	12.16	18.48
Spain	17.25	13.31
U.S.	13.06	13.08
Italy	16.70	11.60
Britain	17.96	11.21
Denmark	15.79	10.80
France	14.78	9.34
Belgium	12.62	8.55
Germany	11.34	6.92
Netherlands	10.89	6.19

مكتبة من الأصل

THE MONEY REPORT

For Retailers, the Christmas Stocking Was Empty

By Katherine Burton

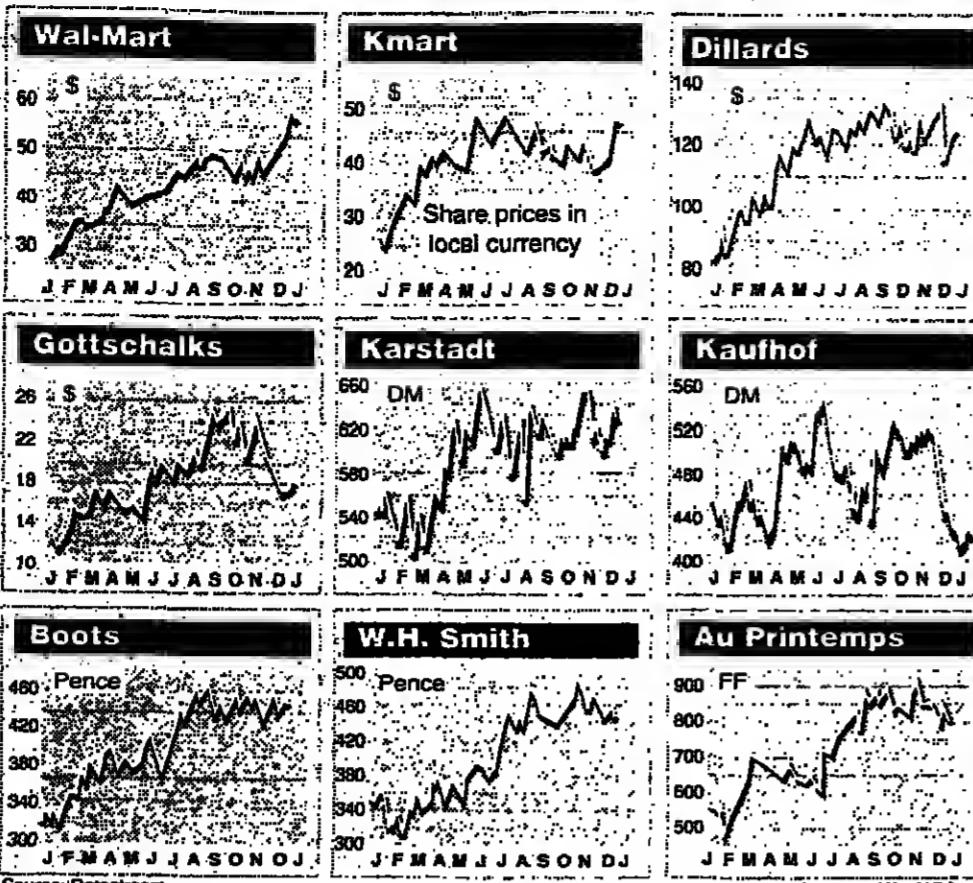
WITH HOLIDAY shopping over and sales in full force, January usually finds retailers gorging themselves on profits and bursting with good cheer for the new year. Not this season. For department and variety store executives across Europe and the United States, the first month of 1992 is as dark as a polar winter. Christmas, they say, never came.

Consumer spending was sluggish everywhere for most of 1991, first because of the Gulf war then an onerous economic recovery, and the Christmas spirit did not prove strong enough to break shoppers' dependency over the economy. It looks as if pessimism will continue to reign in the coming months.

Economists do not see real growth for the United States or Europe until the second half of this year, at the earliest. And within the retail industry itself, analysts believe that we will leave the 1990s with fewer stores than we started with, as bankruptcies continue to diminish the number of competitors.

Despite the gloom and doom forecasts for the retail sector, market watchers do acknowledge a few bright stars worthy of investment, including one or two growth companies and several lower-ticket retailers.

But mostly, the news is bad. In Britain, sales at John Lewis stores—the only company to publish weekly sales figures, which analysts say are generally indicative of the rest of the sector—grew only 2.7 percent in the 22 weeks to Dec. 28, below the rate of inflation. And its weekly sales for the last two weeks before Christmas were up only 1.5 percent over last year. Analysts acknowledged that even if many department stores saw some increase in sales



over 1990, profits were undoubtedly down due to discounting.

"The retail business looks very very bleak, and confirms the fact that retail spending is allied to consumer confidence, which is tied to the housing market," said Quintin Price, U.K. retail store analyst at James Capel in London. "Since the housing market is dropping, it's difficult to see any good news about the sector."

The U.S. retailers were even harder hit this yuletide season. Al-

though not firm industrywide numbers are currently available, major department stores across the United States reported sales flat or down compared with last year. Factoring in inflation and the deep discounts retailers made to get people into the stores, profits could be down 10 percent or more.

"The favorite gift for store owners this year was a prayer rug," said Alan Millstein, editor of Fashion Network Report, a monthly newsletter for retailers. "This holiday season harbingers very serious financial difficulties for retail stores for the first and second quarters of 1992."

Despite the grim prospects, William Smith, retail analyst at Smith Barney, Harris Upham & Co. in New York, advises buys on two department store companies, Gottschalks, a small chain based in California, and Dillard's, a larger chain with headquarters in Arkansas. Both are growth firms in an otherwise stagnant segment, and with

price/earnings ratios of around 15 for Gottschalks and 19 for Dillard's, the stocks are still a good value, he says.

Overall, analysts put the most faith in lower-ticket stores during an economic slowdown. Sales at Wal-Mart and Kmart in the United States, for example, saw same-store sales rise 5 percent and 4 percent, respectively, during the holidays.

Store analysts at Barclays de Zoete Wedd in London are betting on the likes of U.K. stocks W.H. Smith, Marks & Spencer and Boots—all moderately priced retailers—because consumers continue to concentrate on getting the most value for their money. Wal-Mart is trading expensively, with a p/e of 45, but W.H. Smiths, Boots and Marks & Spencer all have prices ranging from 14 to 17 times earnings, making them relatively inexpensive buys.

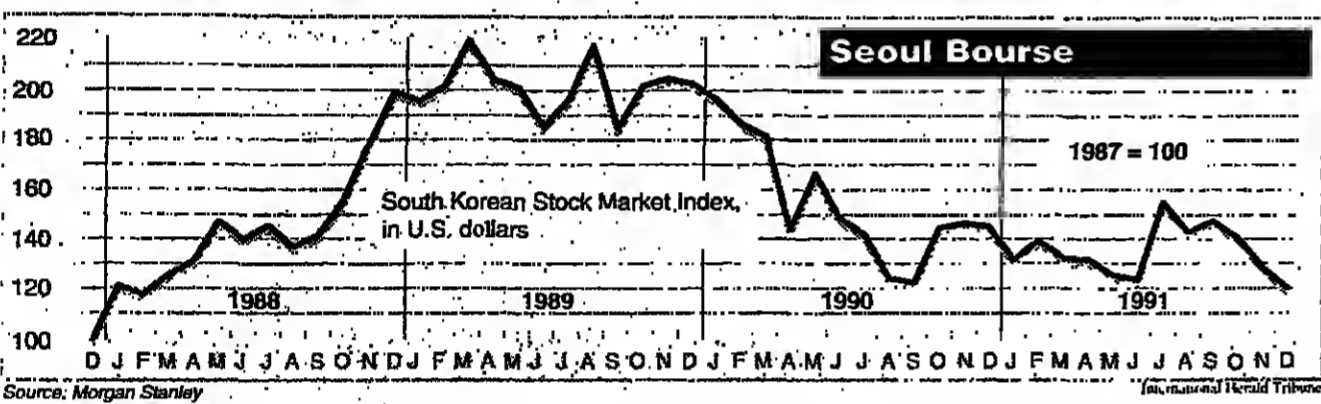
On the whole, however, more and more analysts are suggesting that big department or variety stores may be an endangered category. "In the '90s, most large cities will be left with just one major department store, just as they are being left with only one major newspaper," said Mr. Millstein of Fashion Network Report.

"I believe that department stores are yesterday's retail format," said Malcolm MacLachlan, European retailing analyst at UBS Phillips & Drew in London. That is why he is bullish on the diversified French retailer Au Printemps, the recent acquisition of Pinault SA. Along with its department stores, Printemps also owns La Redoute, France's largest mail-order house and a company that saw profits rise 40 percent in the first half of last year. The company also holds a 2 billion franc (\$384 million) war chest from its sale of Euromarché to Carrefour in early 1991. With the stock hovering around 800 francs, it is reasonably priced at almost 100 points below its peak of November.

Germany is expected to hold the biggest hope for retail stocks this year. Although German haute couture firms have seen profits tumble and consumers' purchasing power has dropped 3 or 4 percent, analysts do not see retail stores suffering as much as their counterparts elsewhere.

"The German retailing outlook is probably the best in Europe, although that might not be saying too much," said Mr. MacLachlan.

Georg Scholz, investment counselor at Deutsche Bank in Paris, likes the two biggest German retailers, Kaufhof and Karstadt, saying the stocks are inexpensive, trading between 15 to 18 times earnings, which is below the industry average.



Source: Morgan Stanley

Foreigners Rush Into South Korean Stock Market

SOUTH KOREA, after 12 years of foot-dragging, finally opened its stock market to foreigners on Jan. 3, the last major Asian market to do so. And to everyone's surprise, outsiders showed up in numbers much stronger than anyone expected.

The first two days of trading, last Friday and Saturday, saw the index rise 6.5 percent, to 650, under heavy trading, although neither day was a full session. And buying orders from foreigners reached \$130 million, a grand showing considering that some brokers had estimated total capital inflow for the first year to be anywhere from \$1 billion to \$4 billion.

Why this buying spree might seem startling is the current state of South Korea's economy and the hitherto poor performance of its stock market. By the end of 1991, the market had tumbled almost 40 percent from its peak of 1,007 on April 1, 1989. And the economic outlook, following a bout of over-optimism in the late 1980s, remains dark.

The economy is overheated, with inflation at 10 percent and interest rates at 19.3 percent (for benchmark three-year corporate bonds) and a trade deficit that hit nearly \$10 billion last year.

Despite these worrisome symptoms, investors were attracted by a small group of high-performing, low-priced stocks found among the 686 listed on the Seoul market. But with a government ceiling of 10 percent on the foreign ownership of most companies and 3 percent per investor in any one company, analysts are encouraging buyers who have not already entered the market to do so soon.

The heavy rises of the first few days have given way to some selling, with the market now in the 630

range, but brokers believe that continued foreign investment, improving relations between North and South Korea and upcoming elections will push the index higher this year, despite the prospect of continued financial troubles for 1992.

"We are seeing a correction now, which is expected, but there will be another round of buying," said Phillip Ham, a manager at

Schroder Securities in London, who says that because of the limited number of shares in the smaller companies that foreigners tend to buy, investors need to wait for a temporary weakness in the market before they can jump in.

South Korea's current money woes might be diagnosed as an economic identity crisis. "Korea's problem is that it is squeezed between low-tech and high-tech producers," said Derek Wilson, a member of the Korea/Taiwan sales team at Baring Securities Limited in London. With the introduction of democracy in 1988, wages grew 15 percent to 20 percent, which ended South Korea's days as a low-cost exporter. And the country has not gained the know-how to be at the forefront of high-tech manufacturing. Thus, exports have suffered at the same time that imports of machinery, equipment and raw materials have rapidly expanded.

The government has started to put the brakes on the economy, and economic growth, now at 8.7 percent, should slow next year. Al-

though imports have grown two to three times faster than exports, only 10 percent consisted of finished goods, suggesting that domestic companies are turning out value-added products, and exporters are acquiring the equipment necessary to increase productivity and competitiveness.

Most analysts see a domestically driven economic recovery starting

During the first two days of trading, buying orders from foreign investors reached \$130 million, pushing up the index 6.5 percent.

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institutional sales at Daishin International (Europe) Limited in London. In addition, he likes textile companies such as Sam Yang, with a p/e ratio of 3.4 and sales growth this year of 11 percent, and Sangup Securities, with a sales growth of 57.7 percent and a p/e of 12.9.

The government, hoping to avoid the cool reception of the Taiwan market opening in 1991, took several steps in December to help attract more outsiders to the market. It allowed 46 companies that have already issued overseas securities or had direct investment by foreign companies to raise their foreign ownership ceilings to 25 percent.

The Securities Supervisory Board also decided that only two companies, Phang Iron & Steel and Korea Electric Power, both government controlled, will have their foreign investment limited to 8 percent, despite earlier reports that investment in "sensitive" industries like banks, transportation companies and securities houses might be limited.

In addition, the government set no restrictions on the repatriation of capital, except under "extreme difficulties" like major fluctuations in exchange rates or interest rates. It also has tax treaties with 27 countries, meaning that under most circumstances, citizens of France, the United States and Britain, among others, do not pay capital gains taxes, although they must pay a 10 percent to 15 percent tax on dividends.

Many analysts believe the government will continue to welcome foreigners. "The trend will be to slowly open the market further," said Mr. Ham of Schroder.

United States, Belgium, Denmark, and Ireland.

One important reason American managers did so well in their market is that small companies, the kind that many funds prefer to invest in, strongly outperformed the larger companies that make up S&P.

2 Firms Stop Money Flow In Small-Company Sector

Two funds in the hot small-company growth category are closing to new investors, their managers having decided that had taken in as much money as they could prudently invest.

Montgomery Small Cap will stop accepting new investors near the end of the first quarter, said Mark Geist, president of Montgomery Asset Management. The fund, which started 1991 with \$30 million under management, has grown to \$80 million.

The Babson Enterprise fund will stop taking money from new investors on Jan. 31, Connie Martin, a Babson spokeswoman, explained that the fund was closing because "the portfolio managers decided that there are only so many small companies out there to meet fund objectives."

BRIEF CASE

U.S. Brokerage Cuts Cost Of Mutual Funds Trades

Jack White & Co., an American discount brokerage, is cutting the cost of trading mutual funds through its Connect Service, which hooks up buyers and sellers of funds that charge sales loads.

Many fund companies assess front-end fees of up to 8.5 percent when they issue new shares. Under the Jack White service, existing shares are transferred from one owner to the next. No new shares are issued, so no load is paid.

When an investor wants to buy fund shares, he can pay the load or place an order with White's service, a company representative explained. When someone else comes along looking to sell shares in the same fund, a transfer is made. One problem, though: that someone else may not come along for several days or weeks, so market timers should think twice before taking part.

When transfers are made, sellers receive the net asset value of their shares plus \$100. The buyers pay net asset value plus \$200. The other \$100 is White's fee for acting as the go-between. For more information, call 1 (800) 233-3411 in the United States or 1 (619) 587-2000 elsewhere.

American Fund Managers Were Best Stock Pickers

Which country's fund managers were the best stock pickers last year? America's, by far, according to a survey by the research firm Micropal. Indeed, the survey of domestic equity mutual funds found that only U.S. funds outperformed the key local stock index.

U.S.-based funds that trade American equities rose 33 percent in 1991, Micropal's figures show. Standard and Poor's index of 500 large-capitalization issues was up a smaller but still impressive 30.46 percent, with dividends reinvested. Irish funds came next closest to beating their market, rising 10.42 percent in dollar terms, compared with a gain of 11.16 percent for the Dublin ISEQ general index.

After Ireland, from best to worst, were Denmark, Britain, Belgium, Germany, France and Switzerland. Swiss funds failed to capture even half the increase in the SBC general index, rising 4.55 percent, against 10.67 percent for the index.

The fund managers started to get the hang of things in the second half. They beat the market in four out of eight countries—the

December Market Scoreboard					
Best Performers			Worst Performers		
	Price Dec. 31	Percent Change		Price Dec. 31	Percent Change
<b>New York Stock Exchange:</b>					
Cincinnati Milacron	11.75	+51.5	LTV	0.81	-27.7
Echlin	14.38	+42.0	Ames Department Stores	0.81	-27.7
Santa Fe Pacific	14.00	+36.6	Transco Expl Partners	0.81	-27.7
Amgen	75.75	+35.3	Vantiv	13.13	-21.1
Pfizer Webber	23.38	+32.9	Smith International	7.75	-17.8
Gillette	58.13	+31.7	Lone Star Industries	3.50	-17.8
Lotus Development	28.25	+31.3	Carter Hawley Hale Store	1.25	-16.7
National Medical Ent.	16.88	+31.1	Cray Research	38.75	-16.7
Pem Corp.	23.50	+30.6	Dekalb Energy B	13.00	-16.1
Imcores Group	43.25	+30.6	Thiokol Corp	15.25	-15.3
<b>Tokyo Stock Exchange:</b>					
Daito Woolen Spinning	1850.00	+36.0	Nippon Carbon	1850.00	-21.6
Shimura Kasei	1250.00	+33.3	Nippon Chem-Con	724.00	-19.6
Godo Shusei	2530.00	+33.2	CSK	3830.00	-19.2
Penta-Ocean Construction	1030.00	+24.2	Nippon Stainless Steel	718.00	-16.8
Daiichou Paper	3000.00	+19.0	Hitachi Chemical	740.00	-14.9
Toyo Ink	855.00	+17.9	Japan Airport Terminal	2050.00	-14.8
Taishimoko Chan	910.00	+16.5	855.00	855.00	-14.1
Sasa Kogyo	1480.00	+16.4	Hofu Sanka	890.00	-13.1
Nippon Carbide Industry	819.00	+16.0	Intec	2280.00	-12.7
Shokusan Jutaku Sogo	760.00	+15.0	Total Bank	1550.00	-12.4
<b>London Stock Exchange:</b>					
Wellcome	1100.00	+31.4	Rathens	27.00	-44.8
United Scientific Hlths	43.00	+28.4	Traiteger House	120.00	-42.6
Sealed Air	341.00	+26.8	Barford International	16.00	-33.3
Smithline Becham Unit	4175.00	+21.6	Larrho	155.00	-30.2
Costain Group	64.00	+18.5	Mirror Group Newspapers	88.00	-29.0
Smithline Becham PLC A	898.00	+18.4	Mountleigh Group	11.00	-21.4
Allied Colloids Group	180.00	+14.5	Norcross	103.00	-20.8
Novell	383.00	+14.3	Amstrad	23.00	-20.7
Reuters Holdings	1033.00	+14.1	Unitich	197.00	-18.6
Manweb	338.00	+13.4	Laing (John) Ord	170.00	-18.6
<b>Frankfurt Stock Exchange:</b>					
Aachen & Munch Bet Namen	881.00	+8.8	Villeroy & Boch Vorzug	310.00	-23.6
Lufthansa Stamm	160.00	+7.5	Miho	143.00	-20.7
Standard Electric Lorenz	445.00	+7.3	Rama Vorzug	198.00	-17.8
Kronos Vorzug	2100.00	+6.3	Esscia Vorzug	375.00	-16.2
SAP Vorzug	1022.00	+6.3	Salzmander	253.00	-15.7
Thyssen	200.00	+5.6	Dackel (Friedrich) Vzg	79.00	-15.6
Aachen & Munch Bet Inh	881.00	+5.5	Henkel Vorzug	150.00	-14.3
Verein Elek Westfalen B	218.00	+5.1	Strabag-Bau	538.00	-13.7
IKB (IndustrieKreditbank)	274.00	+5.0	Schnellbach-Lubeca	462.00	-12.7
Daimler-Benz	744.00	+4.7	Harpenar	270.00	-12.8
<b>Paris Stock Exchange:</b>					
Exor	1325.00	+23.8	Agache (Financiere)	792.00	-27.3
Euro Disney	150.00	+17.1	Generale Geophysique	487.00	-20.8
Pinault	297.00	+15.2	Spie-Batignolles	290.00	-18.7
Compagnie Modemes	1140.00	+13.9	Corus	92.20	-18.2
Cap Gemini Societe	292.00	+12.3	Paribas (Cie Financiere)	314.00	-15.4
Bic	680.00	+12.2	Nord-Est	63.00	-15.0
Intel	247.00	+11.8	Hachette	148.00	-14.1
L'Oréal	751.00	+11.8	Radiotechnique	440.00	-12.7
Matra	175.00	+10.7	SEGE (Soc Gen Entreprises)	195.00	-11.4
Groupie Cit6	475.00	+10.4	CFI Cie Financiere Infrle	280.00	-10.8

Rate Moves Made New York a Winner, Frankfurt a Loser

IT COMES as no surprise that Wall Street was the place for investors to be in December. The record-breaking rally that was triggered by the Federal Reserve Board's aggressive rate cut helped the top 10 shares on the New York Stock Exchange soar by 30 to 50 percent.

As impressive as the size of the move was its breadth. The gainers were led by Cincinnati Milacron, a toolmaker that is a classic recovery play, but also included consumer stocks like Gillette, software maker Lotus Development and PaineWebber, a broker that stands to benefit directly from the equity boom.

In contrast to New York's euphoria over rates, the Bundes-

bank's resolute rate increase made Frankfurt the least rewarding major market, with no stock posting a double-digit gain for the month.

London had two notables on the downside. Rathens' stock plummeted to new lows and Mirror Group Newspapers continued to suffer from doubts about the future of the empire of the late Robert Maxwell.

REACHING THE EUROPEAN LEADERSHIP

Eminent Europeans\*

%

International Herald Tribune	33
Financial Times	21
Wall Street Journal Europe	10
USA Today	1
Time	29
The Economist	25
Newsweek	19
Business Week	8
Fortune	8
National Geographic	23
Scientific American	13
International Management	3

The IHT is read by more Continental Europeans listed in the International Who's Who than any other international publication.

\* Source: Who's Who in Europe Survey, 1990

INTERNATIONAL

Herald Tribune

Published with the New York Times and The Washington Post

SPORTS

Basking in the Shadow of His Son

By Tony Kornheiser

WASHINGTON — Calvin Hill was in a super-market the other day when he noticed some kids pecking at him from around an aisle, and whispering to themselves. Calvin smiled to himself and thought: Maybe they recognize me from my Washington Redskins days — or, more flatteringly, maybe they think I'm a current Redskin.

He continued shopping and eventually got to the checkout, where he noticed them again. Shyly, they approached him, and this time he thought: They probably have my old card, and they want me to sign it.

"Excuse me," one of them said. Calvin Hill turned. "Excuse me," the child asked, "aren't you Grant Hill's father?"

Over the past half-dozen seasons Duke — currently undefeated and the No. 1-ranked college basketball team — has established itself as the preeminent college program in the country. Through the ever-expanding TV coverage of college basketball, we've grown so accustomed to Duke that we should forgive ourselves if, while watching the Blue Devils, we think of them warmly as basketball's version of the Partridge Family.

There's Mike Krzyzewski, the solid, virtuous coach; Christian Laettner, the matinee-idol forward; Bobby Hurley, the reckless, impetuous point guard; Grant Hill, the liquid swimmer, so stylish and graceful he should play in a tuxedo. We see them so often, we hardly need an announcer; we know so much about them. When the cameras pan the stands, we can even pick out their parents, rooting.

This is a story about one of those parents. It's a story about fathers and sons, and what it's like to watch your boy become a man.

THE NAME CALVIN HILL should be familiar. He was an all-American at Yale, a Pro Bowl running back in the National Football League, a member of the Super Bowl Dallas Cowboys, and later a Redskin. A thoughtful man. A great star. And now, the father of, potentially, an even greater star — because by the time he's a senior, Grant Hill, now a sophomore, may well be the best college basketball player in the country.

Except for rare examples, such as Barry Bonds or Ken Griffey Jr., the sons of great athletes normally fall far short of their fathers' accomplishments. I asked if Calvin was surprised that his son — a child of privilege, after all — had become a great athlete.

"A little, I suppose," he said. "I always wanted a son. I looked forward to throwing a ball with my son, like all fathers. But I never thought in terms of having a son who'd be a great athlete. Usually your son gets to be 16 or 17, and he has an identity crisis because he realizes he'll never be as good as Dad. So you tell him it's O.K., and you get through it together. But here I have this great athlete. I read stories about Grant, and in them I'll say, 'and then Hill did this.' And I say, 'wait a second! I'm Hill! How did my son get to be 'Hill'?"

At 19, Grant is 6 feet 8 inches, (2.04 meters),

four inches taller than his father, a significant advantage in a game of garage-door boops. But speaking as a dad, of course, you'd like to think you can still back your kid into the paint and beat on him. Calvin knows those days are way gone.

"The last time I challenged Grant to a game was when he'd come home from a 13-and-under tournament. His team had won, so I said: 'You think you're pretty good, huh? You think you can beat your old man?' Once he got the ball I couldn't touch him. It's not supposed to happen at 16, maybe not even at 19. He did it at 13! It was the first time I had a sense of my own mortality."

AH, THE OLD LION-YOUNG LION thing. Sooner or later all fathers must dance to it. Calvin recalled a touch football game a while back. He was covering Grant, giving him the bump-and-run, and Grant made an inside move and got free. Calvin was running with him as the pass was thrown. Grant leaped for it, caught it smoothly, ran two more strides and spiked the ball.

"I was steamed that he spiked on me," Calvin said, alluding to every dad's nightmare — that your kid will not only outdo you, but then he'll rub it in.

That sound you hear is Calvin laughing. "I don't compete with Grant anymore. I used to be to help his confidence. Now, it's for mine."

It's best for all concerned that Grant went into basketball, not football.

"I was very sensitive about football," Calvin said. "Grant wanted to play it early, and I told him not to start with organized football until ninth grade the same time that I started. I hoped if I chose football it would be because he wanted to, not because he felt he had to do it for me. I'm happy his sport is basketball. I didn't want him to be compared to me."

"I'm his father, and I think like a father," Calvin said, beginning a father's typical anxiety. "Duke doesn't play with mouthguards; Coach K likes the players to be able to communicate on the floor. I once asked Grant about that. I said, 'Grant, can't you play with a mouthguard?' There's \$6,000 worth of orthodontic work I'm worried about." I mean, to me, Grant is still this little kid I used to toss in the air. But then I see him on TV, and he'll do things that shock me. I'll see him dunk sometimes and ask myself, 'Is that Grant?'

Leaning back in his seat, Calvin half-closed his eyes, like he was looking at something he could barely see. "You know, when I was a kid, my father used to love to come watch me play. Not just games — he'd come and watch practices and scrimmages. I never understood it then. But I do now. I'm that way with Grant. I love watching him and seeing him improve. I get a bigger kick out of watching Grant succeed than I ever did for myself."

And bumped by his great fortune as a father. Calvin Hill said: "I played on a Super Bowl winner in Dallas. After all those years of living with the tag, 'next year's champs,' winning the Super Bowl was a tremendous high. But it wasn't as great as coming out of the Hooster Dome after Duke won the Final Four."

"I walked out into the night, looked up at the stars and said, 'God, I've already had my time, so I don't know what I've done to deserve this. But thank you.'"



Ex-NBA star Ralph Sampson seeks more dunking time in Spain.

Sampson Set For Debut In Spain

MALAGA, Spain — Ralph Sampson, a former first-round National Basketball Association draft choice, prepared Friday for his new basketball life in Spain, where he is expected to pump life and interest into a team near the bottom of the standings.

The 7-foot-4 (2.24-meter) Sampson is expected to make his European debut Saturday for the Malaga-based first division team, Unicaja de Ronda.

Sampson, 31, arrived Thursday in Spain after signing on NBA waivers Tuesday. He signed as a free agent on Nov. 19 with the Washington Bullets but played only 10 games.

Houston made the University of Virginia standout the first pick in the 1983 NBA draft.

"I was very excited because this will be the first time an NBA first-round draft choice has played in a European league," said Manuel Rubia, a Unicaja spokesman.

Sampson will be the only American player on the struggling 7-15 team. He said Thursday that he had received an offer to play for at least one other NBA team, the Denver Nuggets, but he decided to come to Spain because he would get more playing time.

He is reported to be receiving \$225,000 to play the season in Spain.

SIDELINES

Yankees Trade Sax to the White Sox

NEW YORK (AP) — The New York Yankees traded their five-time All-Star second baseman Steve Sax to the Chicago White Sox on Friday for right-hander Melido Perez and two minor-league pitchers.

The Yankees, who also got Robert Wickman and Domingo Jean, sent an undisclosed amount of cash to the White Sox. The trade unites Perez, 25, with his older brother Pascual. Sax, who will be 32 on Jan. 29, hit .304 with a career-high 10 homers, 56 RBIs and 31 stolen bases. He was the 1982 National League Rookie of the Year for the Los Angeles Dodgers.

Melido Perez, working mostly out of the bullpen for the White Sox last year, was 8-7 with one save and a 3.12 earned run average for the White Sox last year. He is 45-46 over four seasons with a career ERA of 4.26. Wickman, 22, was 5-1 with a 2.05 ERA at Class A Sarasota and 6-10 with a 3.36 ERA at AA Birmingham. Jean, 23, was 12-8 with a 3.30 ERA at Class A South Bend. He allowed 121 hits and 66 walks while striking out 141 batters in 158 innings.

Vikings Said to Tip Stanford's Green

MINNEAPOLIS (AP) — Dennis Green, Stanford's football coach, was expected to be named head coach of the Minnesota Vikings on Friday.

The National Football League team scheduled a late afternoon news conference to name a replacement for Jerry Burns, who retired last year. "It looks like it's going to be Green," said a Vikings source who asked not to be identified. The Peninsula Times Tribune of Palo Alto, California, quoted a Vikings source as saying Green, 42, had verbally agreed to a five-year contract with a first-year salary of \$350,000. Green would be the second black active coach in the NFL, joining Art Shell of the Los Angeles Raiders.

The Green Bay Packers have offered Mike Holmgren, San Francisco's offensive coordinator, a contract to become head coach, but the 49ers say they will ask for compensation to let him go. "We have a firm contract offer from the Green Bay Packers," Bob LaMonte, Holmgren's agent, said Thursday night. But he added: "It's far from a done deal."

New Russian Soccer Body Rejected

MOSCOW (Reuters) — Soccer officials in the new Commonwealth of Independent States refused on Friday to recognize a rebel Russian football association that threatens to split the game's ruling bodies.

The creation on Thursday of the self-styled All-Russian Football Association raised the danger of a bitter power struggle and threw into question the holding of a Commonwealth championship next season.

Vyacheslav Koloskov, head of the old Soviet Soccer Federation and vice president of FIFA, the sport's world governing body, said the new body was not recognized by any Russian authority. It was formed by more than 173 delegates from throughout Russia who also voted to abolish the Russian Soccer Federation. The Soviet Soccer Federation is to meet Saturday to reshape itself into a new Federation of the Commonwealth of Independent States and plan a Commonwealth championship.

For the Record

The U.S. syndicate America 3 announced Thursday that it was building a fourth yacht that it expected to participate in the fourth round of the America's Cup defender trials in San Diego. (APF)

The FC Bruges forward Jan Ceulemans, 34, who played a record 96 times for Belgium's national soccer team, is retiring, the daily Het Nieuwsblad reported Friday. (AP)

For Clemson, a 38th Loss on Tar Heels' Court

The Atlantic Coast Conference has been so competitive for so many years that any team can win at any arena, they say. Just try telling that to Clemson.

For the 28th straight time, the Tigers lost at the visiting team at North Carolina. On Thursday night, the No. 8 Tar Heels won in a rout, 103-69.

"I actually was worried about this game because of their great quickness," said North Carolina's coach, Dean Smith. "But we played an excellent overall game."

Almost all of Clemson's losses in North Carolina have come in Chapel Hill. There were a few games in nearby Greensboro, but the results have all been about the same since the Tar Heels started the streak on Jan. 15, 1926, with a 50-20 victory over the Tigers.

Hubert Davis scored 18 points and George Lynch had 17 for North Carolina (10-1, 1-1). The Tar Heels dominated the young Tigers (6-3, 0-2) inside as the front line made 17 of 26 shots.

"We got hammered in the paint in every

way," Clemson coach Cliff Ellis said. "We got annihilated in the paint, and we must learn from the experience."

No. 2 UCLA 83, Arizona State 62; Tracy Murray dominated at both ends, getting 28

COLLEGE BASKETBALL

points and a career-high 15 rebounds to lead visiting UCLA to an easy triumph.

The Bruins (9-0) are off to their best start since 1975. Arizona State (9-4) had won five straight. The game was the Pac-10 opener for both teams.

No. 6 Arizona 107, No. 23 Southern California 68; Guard Damon Stoudamire made five 3-pointers and grabbed 10 rebounds as Arizona extended the nation's longest home winning streak to 71 games.

The Wildcats (10-1) won the Pac-10 opener for both teams and led a record for the most points ever scored against Southern Cal (8-3). No. 10 Indiana 96, Minnesota 58; Indiana

BOOKS

MIRROR WORLDS: Or the Day Software Puts the Universe in a Shoebox — How It Will Happen and What It Will Mean

By David Gelernter. Illustrated. 237 pages. \$24.95. Oxford University Press Inc., 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Christopher Lehmann-Haupt

THE PROSPECT that David Gelernter describes in "Mirror Worlds" sounds like a late 21st-century science-fiction fantasy. "You will look into a computer screen and see reality," he writes in his prologue. "Some part of your world — the town you live in, the company you work for, your school system, the city hospital — will hang there in a sharp color image, abstract but recognizable, moving subtly in a thousand places. This mirror world you are looking at is fed by a steady rush of new data pouring in through cables. It is infiltrated by your own software creatures, doing your business."

have a complete prototype in a year or two. One way or another, we or some other research group will almost certainly have produced a full-fledged, large-scale mirror world by the end of the decade."

Moreover, he explains in concrete detail that a nonexpert can easily understand just how mirror worlds are going to come into being. He begins by defining the tricky concept of what computer software is: "The program text — the words and symbols that the programmer composes, that tell the computer what to do — is a disembodied information machine. Your computer provides a body."

He goes on to describe how computer programs work, what a simple one looks like and how the high volume of data feeding a mirror world would demand that bugs programs be broken down into groups of independent information machines working together.

He makes it easy to imagine how you could sit in front of your computer, select a mirror world, zoom in and poke around, like an explorer in a miniature submarine: "You can see traffic density on the streets, delays at the airport, the physical conditions of the bridges, the status of markets, the condition of the city's finances, the current agenda at city hall and the board of education, crime conditions in the parks, air quality, average bulk cauliflower prices and a bugle list of others."

Of course, some readers are not going to be thrilled by this prospect, and Ge-

lernter is aware of them. To those who may worry about security and privacy he offers assurances that information within a mirror world will be as safe as in a good real-world security system. And to those who dread that they may become too dependent on their computers he responds that mirror worlds are going to happen no matter what.

In fact mirror worlds may even embrace artificial intelligence, if, as Gelernter evidently suspects, mind is based on "a dense intertwined superstructure of categories, rules and generalizations, with the odd specific, particular fact hanging from the branches like the occasional bird-pecked apple."

Gelernter is studiously playful. He observes that while the point of designing good software is to solve a hard problem, some of the best software being produced today is "applied art," because art requires discipline. For anyone who has wondered what the next stage of the computer revolution will be like and how it will enrich our lives, "Mirror Worlds" offers some answers.

It tells you how Hamlet's dream may be fulfilled: "I could be bounded in a nutshell, and count myself a king of infinite space." Even more grandly, it permits you to imagine ways of negotiating the great metropolis without ever losing your temper or being mugged.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

EDWIN KANTOR has written a book called "Roman Keycard Blackwood — The Untold Story," available for \$11.95 (U.S. postage included) from "Bridge Today," 18 Village View Blvd., Ballston Lake, New York 12019. It is about the bidding practice that, in the past decade, almost all American experts have adopted.

In the diagrammed deal, reported by Kantor from a practice match, North eventually used an exclusion variation: The jump to five diamonds asked South to respond as if to a four no-trump bid, but ignoring the diamond suit, with responses by normal Blackwood steps. So five spades showed one key card, clearly the club ace, and five no-trump asked South to bid the grand slam if he held the trump queen.

After a spade lead South had no difficulty in developing the clubs to make the grand slam. He won the opening spade lead in dummy, led to the club ace, drew trumps, starting with queen and ending in dummy. Then he cashed the K-Q of clubs, and ruffed out the club jack to make the grand slam.

Notice that the immediate play of the club risked running into a 6-0 club split, but would have been essential if West had begun with five clubs beaded by the jack and exactly two trumps.

BRIDGE hand diagram showing cards for North, South, East, and West. Includes a bidding table and the text: "East and West were vulnerable. The bidding: North: 2♠, 3♣, 4♣, 5♣, 5NT, Pass; South: Pass, 2♥, 3♥, 4♥, 5♥, Pass; West: Pass, Pass, Pass, Pass, Pass, Pass. West led the spade jack."

PEANUTS



BEETLE BAILEY



CALVIN AND HOBBES



WIZARD of ID



REX MORGAN



GARFIELD



DOONESBURY



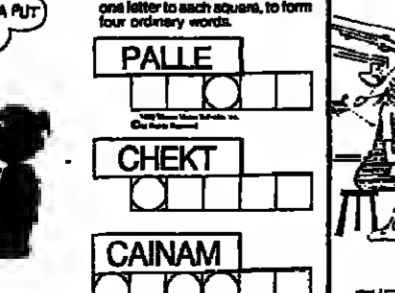
DENNIS THE MENACE



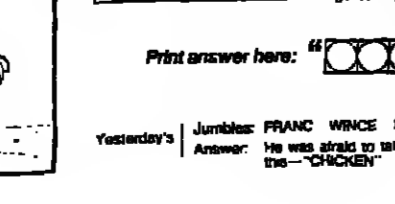
JUMBLES



BLONDIE



THE HILLBILLY'S FAVORITE LETTER





SPORTS

4 Teams Facing a Final Hurdle

New York Times Service
NATIONAL CONFERENCE
LIONS (12-4)
AT REDSKINS (14-2)

Key Stats: Lions are 2-4 outdoors on grass surfaces; quarterback Erik Kramer in his last seven games is 7-0; Redskins' defense has played against the run-and-shoot offense four times this season...

Comment: The first question is the playing surface at Robert F. Kennedy Stadium. Will it be soaked from rain predicted there through Saturday afternoon? If so, the Lions must find a way to pass short before throwing long.

The trio has a glaring edge in experience over the Lions' young secondary and their timing with quarterback Mark Rypien this season has been exceptional. Watch Lions kick returner Mel Gray and...

NFL MATCHUPS

Redskins return specialist Brian Mitchell. Especially early, the field position both speedy and daring returners give their offenses will be critical. The Redskins are favored by 1 1/2 points.

AMERICAN CONFERENCE
BRONCOS (12-4)
AT BILLS (13-3)

Key Stats: Broncos are 4-0 in AFC championship games; Bronco defense allowed Houston only three second-half points last week and 97 total rushing yards in 26-24 victory; Bills average 148.8 rushing yards per game and in their last three playoff games in Rich Stadium have won by an average of 27 points.

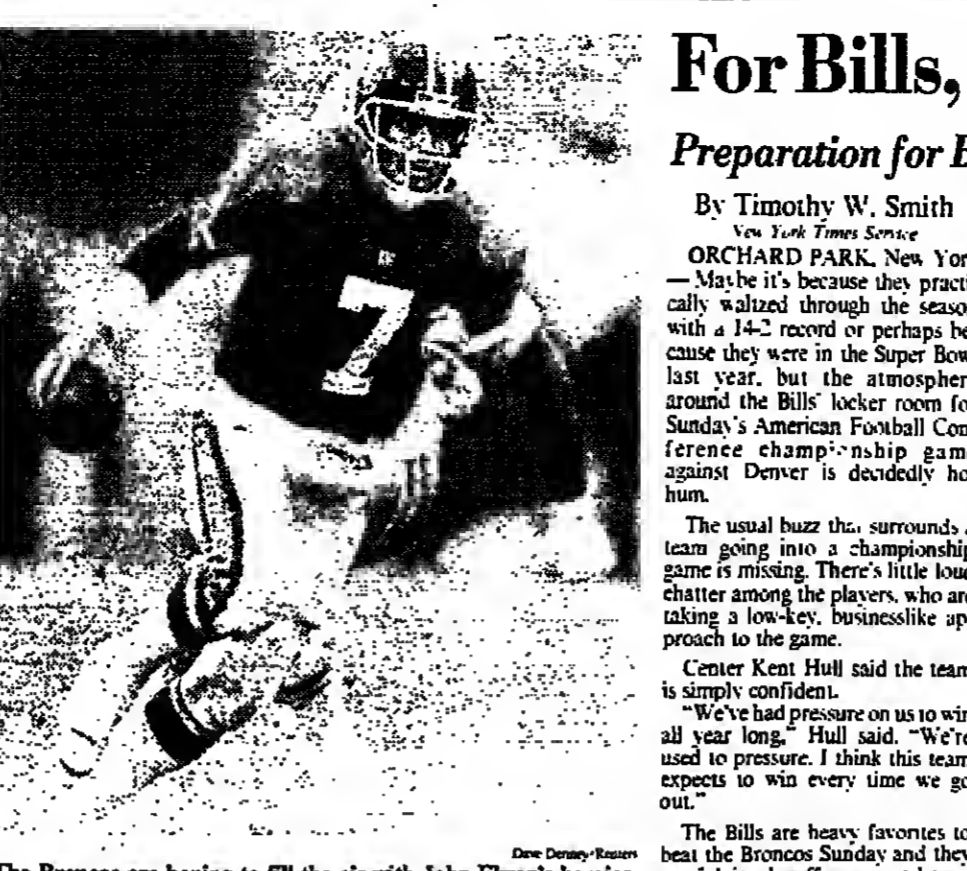
Comment: Here comes Denver with the No. 1-ranked AFC de-

fense and No. 5 in the league attempting to slow Buffalo's no-huddle mania. Their plan is to play keepaway, to initially keep the football on the ground with running back Gaston Green and later fill the air with passing heroes from quarterback John Elway.

The Broncos obviously don't believe they can dominate the Bills' big-play offense. More than one Bronco says his team can't win unless it scores at least 30 points. Forty might do.

The Buffalo defense, however, believes Denver will have trouble surpassing 20 points. Bills nose tackle Jeff Wright is the key returnee from a knee injury that will help the Bills' defense control the Denver running game. Buffalo's offense is primed for another spectacular show. Bills by 1 1/2 points.

These matchups of Sunday's NFL conference championship games were written by Thomas George of The New York Times. Odds were provided by the Latest Line.



The Broncos are hoping to fill the air with John Elway's heroes.

For Bills, a Ho-Hum Approach

Preparation for Broncos Is Low-Key and Businesslike

By Timothy W. Smith
New York Times Service
ORCHARD PARK, N.Y. — Maybe it's because they practically walked through the season with a 14-2 record or perhaps because they were in the Super Bowl last year, but the atmosphere around the Bills' locker room for Sunday's American Football Conference championship game against Denver is decidedly ho-hum.

The usual buzz that surrounds a team going into a championship game is missing. There's little loud chatter among the players, who are taking a low-key, businesslike approach to the game.

Center Kent Hull said the team is simply confident. "We've had pressure on us to win all year long," Hull said. "We're used to pressure. I think this team expects to win every time we go out."

The Bills are heavy favorites to beat the Broncos Sunday and they are 5-1 in playoff games at home.

Playoffs on TV

Live or delayed telecasts of the NFL title games Super Bowl XXVI can be received in the following countries, according to the NFL. Kickoffs on Sunday are at 17:30 GMT for the AFC game and 21:00 GMT for the NFC game. Check local listings.

BRITAIN: Sky Sports, Channel 4
FINLAND: TV3
FRANCE: Canal Plus
GERMANY: Premiere
HUNGARY: MTV
ITALY: RTI
SCANDINAVIA: Scansat
SPAIN: TV3
TURKEY: Turlic and Ticaret

Asia/Australasia

AUSTRALIA: ABC
HONG KONG: TVB
JAPAN: NHK, NTV, Sumitomo Cable
MALAYSIA: Adre
NEW ZEALAND: Sky Network
PHILIPPINES: Sky Vision
SINGAPORE: SBC
TAIWAN: CTS

South America/Caribbean

ARGENTINA: Canal 2, Cablevision
BARBADOS: STV, CBC
BRAZIL: TV Manchete
COLOMBIA: TV Cable
COSTA RICA: ProCable
ECUADOR: TV Cable
NETHERLAND ANTILLES: Leeward Broadcasting
PANAMA: Televisora Nacional
VENEZUELA: ITV
VIRGIN ISLANDS: St. Maarten Cable

Middle East

DUBAI: Dubai TV
ISRAEL: Israel Cable
KUWAIT: TV
SAUDI ARABIA: Overseas Enter.

Forget and Sanchez Gain Final in Sydney

The Associated Press
SYDNEY — Guy Forget of France, the defending champion, used a devastating serve to defeat David Wheaton of the United States, 6-3, 6-2, on Friday in the semifinals of the New South Wales Open.

The third-seeded Forget, who will face seventh-seeded Emilio Sanchez of Spain in Saturday's final, fired six aces and lost only six of 43 points on his serve. He never faced a break point and broke Wheaton three times.

Sanchez beat unseeded Omar Camporese of Italy, 6-4, 7-6. Sanchez, who has not dropped a set in four matches, surprised a mistake-plagued battle against Camporese.

The No. 1 women's seed, Gabriela Sabatini of Argentina, moved into the semifinals with her third straight victory, but had her toughest match so far. She lost her serve three straight times in the second set before beating 15th-seeded Gigi Fernandez, 6-2, 7-6.

Second-seeded Arantxa Sanchez Vicario of Spain ousted



Guy Forget, the defending champion, slams a return to David Wheaton on Friday in the New South Wales Open semifinals.

SCOREBOARD

NBA Standings

Table showing NBA Standings for Eastern Conference and Western Conference. Columns include Team, W, L, Pct, GB, and Home/Away records.

SOFTBALL

Table showing Softball Standings for National League and American League. Columns include Team, W, L, Pct, GB, and Home/Away records.

WRESTLING

Table showing Wrestling Standings for National and International. Columns include Team, W, L, Pct, GB, and Home/Away records.

Australian Open Draw

Table showing the Australian Open Draw for men's and women's singles. Lists player names and their respective seeds.

TENNIS

Table showing Tennis Standings for New South Wales Open. Columns include Team, W, L, Pct, GB, and Home/Away records.

BASEBALL

Table showing Baseball Standings for National League and American League. Columns include Team, W, L, Pct, GB, and Home/Away records.

HOCKEY

Table showing Hockey Standings for NHL. Columns include Team, W, L, Pct, GB, and Home/Away records.

WRESTLING

Table showing Wrestling Standings for National and International. Columns include Team, W, L, Pct, GB, and Home/Away records.

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Advertisement for Belle Epoch Escort Service, offering various services and contact information.

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Advertisement for Escorts & Guides, offering various services and contact information.

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Advertisement for AT&T USADirect Service, highlighting international calling options and contact details.

DAVE BARRY

The Airborne Avenger

MIAMI — I'm in an airplane, strapped into my seat, no way to escape. For an hour we're taxiing around Miami International Airport while lightning tries to hit us. Earlier I was hoping that the plane might at some point actually take off, but now I'm starting to root for the lightning, because a direct strike might silence the two women sitting in front of me. There's only one empty seat between them, but they're speaking at a decibel level that would be appropriate if one of them were in Cleveland. First Woman: I PREFER A WINDOW SEAT.

voice said, quote: "Hon? Can I get a refill? Like maybe today?" HON. She smiled — not with her eyes — and said, "I'll be with you as soon as I can, sir." SIR. Oh, I'd be with him soon, all right. I'd come up behind him and strangle him with the movie-head- phone cord. "Is that tight enough for you, SIR?" would be the last words he'd ever hear. Then I'd become a legendary outlaw flight attendant. I'd hide in the overhead luggage compartment and watch for problems, such as people flying with small children and making no effort to control them, people who think it's CUTE when their children shriek and pour salad dressing onto other passengers.

Second Woman: MY SISTER-IN-LAW WORKS FOR A DENTIST IN NEW JERSEY. HE'S AN EXCELLENT DENTIST BUT HE CAN'T PRONOUNCE HIS R'S. HE SAYS, "I'M AFRAID YOU NEED A WOOL CANAL."

When this happened BANG the luggage compartment would burst open and out would leap: the Avenging Flight Attendant of Doom, his secret identity concealed by a mask made from a barf bag with holes in it. He'd snatch the child and hove in to the parents, very politely, "I'm sorry, but FAA regulations require me to have this child raised by somebody more civilized, such as wolves." If they tried to stop him, he'd pin them in their seats with dense, 200-pound airline omelets.

And so it has gone for an hour, a live broadcast of random neural firings. But it could be worse. I could be the flight attendant. Every time she walks past the two women, they both shout "MISS?" It's an uncontrollable reflex.

Insane? Yes, I'm insane, and you would be too if you were listening to these two women.

"MISS?" they are shouting. "CAN WE GET A BEVERAGE HERE?" This is maybe the fifth time they have asked this. "I'm sorry," says the flight attendant, with incredible patience. "We can't serve any beverages until after we take off."

"MISS?" they are saying. "IT'S TOO HOT IN HERE." "CAN WE GET SOME BEVERAGE SERVICE?" "MISS?"

"SHE'S VERY RUDE," they "whisper" as she moves away, their voices booming through the cabin. "THEY SHOULD FIRE HER." "YES, THEY SHOULD." "THERE'S SUPPOSED TO BE BEVERAGE SERVICE."

"MISS?" "This time the pilot announces that — I swear I am not making this up — LIGHTNING HAS HIT THE CONTROL TOWER."

It's a good thing for society that I'm not a flight attendant. I would definitely kill somebody no later than my second day. Recently I sat on a humpy, crowded flight and watched a fortysix flight attendant, arms occupied with a large stack of used dinner trays, struggling down the aisle. A young man held out his coffee cup. BLOCKING HER PATH, and in a loud, irritated

No problem. I can handle it. I'll just stay calm, reach into the seat pocket, slowly pull out the headphone cord.

You Can't Always Tell Books by Covers

By Charles Trueheart

WASHINGTON — The book begins abruptly. "hold them accountable," it says, without so much as a how-do-you-do. Of title page. Or chapter heading. Or even a capital letter. In fact it begins on Page 97, runs to Page 128, begins all over again with Page 97, and repeats the same 32 pages 18 times until the very end.



"Moving the Mountain: The Women's Movement in America Since 1960," or at least this unusual version of it, ends just as abruptly, and just as appropriately — on the final Page 128, of course. "They agreed that a formal coordinating council made up of representatives from national women's organizations would be too slow" and just like that, it's over.

This copy was printed incorrectly, to say the least. "It's one of a kind," was the author Flora Davis's dry remark when she was told about the glitch over the phone. "It better be one of a kind."

Davis can rest easy. The publisher says few, if any, other copies were botched. "In any manufacturing operation a few defects slip through," said Victoria Meyer, director of publicity at Simon & Schuster, greeting the mishap with serenity.

Even so, the possibility of more far-reaching errors strikes fear in book country. Moaned Christina Coffin, managing editor of Houghton Mifflin, "It's the kind of thing that makes my stomach crawl, even though it's an S&S book."

For fastidious book people, printing and binding calamities are the low-grade nightmares always waiting to happen. "When it happens, the book always lands in the author's hands, or in the author's father's hands, or in the author's personal bookstore's hands," Coffin said.

This observation seems anecdotally correct, to judge by a random culling of horror stories.

Calvin Trillin recalls being brought a copy of his then-new book, "Killings," to sign after a 1984 speaking engagement. As he turned to the half-title page (the one just before the full-title page) to apply the autograph, he was startled to find an alien presence. "The James Coco Diet." Every page in the book was Coco's, not Trillin's. Trillin gave it to his cousin, he said, inscribing it as "proof that you can't judge a book by its cover."

"When I looked at the binding it was my hook, not only the book jacket, but if you took the book jacket off and looked at the actual spine, the hardbound part, it said, 'Killings,'" Trillin said. The two books didn't even have the same publisher, just the same printing company.

Last summer Little, Brown issued a new printing of a perennial children's favorite, "Captain Kidd's Cat" by Robert Lawson,

only to discover after 1,500 books had been shipped that for the opening pages, the printer had substituted material from "Closely," by Dennis Cooper, a work of gay erotica.

Betsy Groban, Little, Brown's vice president and marketing director for children's books, wrote the booksellers and distributors to ask that the naughty versions of "Captain Kidd's Cat" be returned for error-free replacements, "but to our great surprise one one came back," she said. The alert, Groban speculated, only served to tell everyone on the mailing list they were in possession of a rare literary curiosity.

Such glitches, like stamps whose images are printed upside down, are in the collector's-item category. Some others, alas, are not — the whole run of books is marred. "The James Coco Diet," Every page in the book was Coco's, not Trillin's.

Thomas Kenally, the Australian novelist, was preparing for a New York reading four years ago when he asked his publisher — also, coincidentally, Simon & Schuster — to send him a copy of the U.S. edition of his new novel "The Playmaker," a version he hadn't yet seen.

It began, he found, with "a rogue paragraph — three pages had been displaced from the middle of the book." The pages "don't mean anything," but there they are, in every copy of the U.S. edition, making his story begin not as he intended it but with the following sentence:

"First Ralph heard again how Harry had — one evening in the settlement's first days — discovered Duckling's possible absence from her tent across the stream."

"It refers to all the characters who haven't been introduced," he said, "I remember a reviewer in The New Yorker saying that writers should not set out to confuse people. If you begin with three pages of obfuscation you can hear people dropping off the back of the train."

One admirer of Kenally, the top editor at another publishing house, confessed that when she read the opening pages, "I was having a terrible time with it. But I naturally thought, like every insecure reader, I'm just stupid."

Like others who've been through this, Kenally pronounced himself "philosophical" about it now, but "suicidal" right after it happened.

He said Simon & Schuster apologized "as much as any writer could ever want a publisher to mea culpa themselves" with a letter in The New York Times Book Review. But "The Playmaker," having been in bookstores for some months with a narrative structure that was bizarre but at least plausible, could not be recalled for adjustments.

In some cases, 11th-hour doctoring is possible. Lincoln Caplan, the Washington

writer, was pleased when the first copies of his latest book, "An Open Adoption," came off the presses. But something was missing from the title page: the author's name. Not an insignificant detail, especially to the author.

Caplan's publisher, Farrar, Straus & Giroux, responded instantly, halting shipment of the books and dispatching them to a place where each title page was severed from the book and a new one attached, all by hand. "Farrar, Straus & Giroux is willing to go to great lengths to get it right," said his editor, Linda Healey. Great lengths take time, and in this case the mended book appeared in bookstores long after the glowing reviews that had accompanied its publication, doubtless hurting its sales.

"Now, I think it's a funny story. It emphasizes how chaotic, imprecise and unpredictable a business publishing is," said Caplan. "At the time I thought it was a little less funny."

As for the rogue edition of Davis' "Moving the Mountain," Meyer says Simon & Schuster's manufacturing people speculated that there'd been an overrun of those particular "signatures," or sequences of pages that are assembled to make a book. Possibly they'd been used in a test binding, which was mistakenly included in the lots that left the printing plant.

David Dunn, whose Clinton, Massachusetts, company specializes in the kind of painstaking surgery performed on Caplan's book, must count the misfortune a publisher's blessing. His company donates the small hut apparently essential to book-repair niche.

Dunn said he has been characterized interestingly, as both an "undercar" and a doctor. The publisher, he said, comes with a frantic plea: "The baby is safe and the baby might die and how can we save the baby?" For a price, victory can be snatched from the jaws of defeat. It costs about 50 cents a book, on average, he says. He repairs about 350,000 books a month one by one.

"It saves them hundreds of thousands of dollars," Dunn said of publishers. The cost for updatings too. A new medical procedure would make a 2,000-page medical textbook obsolete, but Dunn can alter the books to bring them up-to-date. He works also band-saw the hard cover from hardcover books and rebind them in softcover editions. Books with new introductions or revisions based on late-breaking news often are also made, or reprinted this way.

But it's with disasters that his customers are the nicest. "On full moons and Fridays the 13th," Dunn said, "we get a tremendous amount of business."

PEOPLE

Baby Girl Is the Newest Bening-Beatty Co-Star

Warren Beatty's girlfriend, Annette Bening, his co-star in "Bugsy," has given birth to a girl, Beatty's publicist said. The baby was born at Cedars Sinai Hospital in Los Angeles. It was the first child for Beatty, 54, and Bening, 33.

After calling off negotiations with Paul Simon, two small South African black organizations said Friday that they would go ahead with plans to ensure that the singer's two-week tour of South Africa is "a total failure." Leaders of the Azanian People's Organization and the Azanian Youth Organization said at a press conference that they will support a cultural boycott to protest against apartheid.

AZAYO cultural secretary Steven Peter said that in order to register their displeasure, the concerts would be picketed and a pamphlet campaign launched. The Pan Africanist Congress also reiterated its opposition to Simon's tour, which opens Saturday in Johannesburg.

President Lech Walesa of Poland gave a new car to a man whose prowess at the wheel enabled him to keep several secret appointments during a visit to Warsaw. Stanislaw, now mother superior of the Order of Our Lady of Charity, "showed great reflexes and dexterity skills," according to a statement from Walesa's office. "Despite being pursued by the secret police, she continually looked after the leader of Solidarity, managed to shake off the tail, and deliver him to his meeting place." The car is one of a new line of mini-Fiat's made under license in Poland. It was given to Walesa's office in December when a new model was unveiled.

Despite an announcement by the Pakistan minister of sports and culture, Michael Jackson has not accepted an invitation to perform in Pakistan. "This is definitely not true. We don't know where he heard this from," said Wayne Edwards of Lee Solters Co., Jackson's Los Angeles publicist.

Kitly Kelley, 49, whose best sellers have told tales of love, hate and infidelity among the rich and famous, says she will wed Dr. Jonathan Zucker, a Maryland allergy and immunology specialist, in the spring. Both are divorced.



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